CHINA INVESTMENTS HOLDINGS LIMITED
中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

INTERIM RESULTS FOR 2017

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the "Directors") of China Investments Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
			(restated)
Continuing operations			
Revenue	*3*	**6,985**	10,420
Cost of sales and services		**(3,412)**	(5,451)
Gross profit		**3,573**	4,969
Other operating income	*5*	**8,647**	1,910
Selling and distribution costs		**(125)**	(316)
Administrative expenses		**(23,789)**	(26,948)
Share of profit of associates		**36,983**	34,841
Finance costs	*6*	**(11,640)**	(10,933)
Profit before taxation		**13,649**	3,523

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
			(restated)
Income tax expenses	*7*	**(2,029)**	(2,004)
Profit for the period from continuing operations	*8*	**11,620**	1,519
Discontinued operation	*9*		
Loss for the period from discontinued operation		**–**	(676)
Profit for the period		**11,620**	843
Other comprehensive income/(expense), net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(91)**	(199)
Share of exchange difference of associates		**19,795**	(14,249)
Other comprehensive income/(expense) for the period, net of income tax		**19,704**	(14,448)
Total comprehensive income/(expense) for the period		**31,324**	(13,605)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
			(restated)
Profit/(loss) for the period attributable to:			
Owners of the Company	*11*	**12,272**	843
Non-controlling interests		**(652)**	–
		11,620	843
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**31,988**	(13,605)
Non-controlling interests	*16*	**(664)**	–
		31,324	(13,605)
Earnings per share	*11*		
From continuing and discontinued operations			
Basic		**HK0.72 cent**	HK0.05 cent
Diluted		**HK0.72 cent**	HK0.05 cent
From continuing operations			
Basic		**HK0.72 cent**	HK0.09 cent
Diluted		**HK0.72 cent**	HK0.09 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 June 2017 HK$'000 (unaudited)**	31 December 2016 HK$'000 (audited)
Non-current assets			
Investment properties		**235,865**	229,917
Property, plant and equipment		**252,555**	244,354
Interests in associates	*12*	**677,165**	620,387
Available for sale financial asset		**8,792**	8,527
		1,174,377	1,103,185
Current assets			
Properties held for sale		**54,362**	55,028
Inventories		**393**	781
Trade and other receivables	*13*	**18,722**	6,487
Bank balances and cash		**146,186**	151,097
		219,663	213,393
Current liabilities			
Trade and other payables	*14*	**107,442**	110,704
Tax payables		**6,841**	6,634
Borrowings	*15*	**74,797**	36,004
		189,080	153,342
Net current assets		**30,583**	60,051
Total assets less current liabilities		**1,204,960**	1,163,236

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2017

	Notes	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Capital and reserves			
Share capital		**171,233**	171,233
Reserves		**792,042**	760,054
Equity attributable to owners of the Company		**963,275**	931,287
Non-controlling interests	*16*	**1,476**	–
Total Equity		**964,751**	931,287
Non-current liabilities			
Borrowings	*15*	**97,743**	100,379
Convertible notes		**129,598**	121,092
Deferred tax liabilities		**12,868**	10,478
		240,209	231,949
		1,204,960	1,163,236

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Listing Rules") and with Hong Kong Accounting Standard 34 ("HKAS 34") Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements have not been audited by the Company's auditor but have been reviewed by the Company's audit committee.

The interim condensed consolidated financial statements have been prepared on the historical costs basis except for certain properties and financial instruments, which are measured at fair value or revalued amounts, as appropriate.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards.

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

Except for the adoption of the new and revised HKFRSs stated below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[4]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9	Financial Instruments[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Lease[2]
HKAS 40 (Amendments)	Transfers of Investment Property[1]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC) – Int 23	Uncertainty Over Income Tax Treatments[2]

Notes:

1 *Effective for annual periods beginning on or after 1 January 2018.*

2 *Effective for annual periods beginning on or after 1 January 2019.*

3 *Effective for annual periods beginning on or after a date to be determined.*

4 *Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.*

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE

Revenue represents the gross amounts received and receivable for revenue arising on hotel operation, sale of properties, goods sold by the Group to outside customers, less return and allowances and gross rental income during the period.

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into two operating divisions – hotel operation and property investments. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Hotel operation	–	hotel ownership and management
Property investments	–	holding investment properties and properties held for sale

For the property investment operations, the management reviews the financial information of each property investment, hence each property investment constitutes a separate operating segment. However, the properties investment possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all properties investment are aggregated into one reportable segment for segment reporting purposes.

Wood processing operation was discontinued in the year ended 31 December 2016. The segment information reported below does not include any amount for this discontinued operation, which is described in more detail in note 9.

4. **SEGMENT INFORMATION (Continued)**

Segment information about these continuing operations is presented below:

	Segment Revenue		Segment Result	
	Six months ended 30 June		Six months ended 30 June	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
		(restated)		(restated)
Hotel operation	**2,114**	8,165	**(10,428)**	(4,480)
Property investments	**4,871**	2,255	**90**	(1,041)
Total	**6,985**	10,420	**(10,338)**	(5,521)
Interest income			**1,905**	1,909
Professional fee			**(359)**	(605)
Net central administration cost			**(9,554)**	(10,492)
Net exchange gain/(loss)			**6,652**	(5,676)
Share of profit of associates			**36,983**	34,841
Finance costs			**(11,640)**	(10,933)
Profit before taxation			**13,649**	3,523
Income tax expenses			**(2,029)**	(2,004)
Profit for the period			**11,620**	1,519

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (six months ended 30 June 2016: Nil).

Segment result represents the profit/(loss) generated by each segment without allocation of interest income, professional fee, net central administration cost, net exchange gain or loss, share of profit of associates and finance costs. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

As at 30 June 2017

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Segment Assets		
Continuing operations		
Hotel operation	**131,786**	122,243
Property investments	**296,711**	296,241
Total segment assets	**428,497**	418,484
Assets relating to discontinued operation	**–**	391
Bank balances and cash	**146,186**	151,097
Interests in associates	**677,165**	620,387
Available for sale financial asset	**8,792**	8,527
Unallocated assets	**133,400**	117,692
Consolidated assets	**1,394,040**	1,316,578
Segment Liabilities		
Continuing operations		
Hotel operation	**2,405**	3,919
Property investments	**113,855**	115,710
Total segment liabilities	**116,260**	119,629
Liabilities relating to discontinued operation	**–**	1,028
Convertible notes	**208,417**	199,911
Borrowings	**64,440**	27,075
Unallocated liabilities	**40,172**	37,648
Consolidated liabilities	**429,289**	385,291

4. SEGMENT INFORMATION (Continued)

Other Information

For the six months ended 30 June 2017

Continuing operations

	Hotel operation *HK$'000* **(unaudited)**	**Property investments** *HK$'000* **(unaudited)**	**Total** *HK$'000* **(unaudited)**
Depreciation	**2,767**	**875**	**3,642**
Additions to property, plant and equipment	**12,634**	**624**	**13,258**
Loss on disposal of property, plant and equipment	**1,406**	**–**	**1,406**

For the six months ended 30 June 2016 (restated)

Continuing operations

	Hotel operation *HK$'000* (unaudited)	Property investments *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Depreciation	3,139	41	3,180
Additions to property, plant and equipment	43	–	43
Loss on disposal of property, plant and equipment	–	68	68

4. SEGMENT INFORMATION (Continued)

Geographic Segments

The Group's hotel operation is located in the People's Republic of China ("PRC"), other than Hong Kong.

Property investments are located in both PRC and Hong Kong.

The Group's revenue from continuing operations from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenue from external customer		Non-current assets*	
	Six months ended 30 June		**30 June**	31 December
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited) (restated)	**(unaudited)**	(audited)
The PRC	**6,269**	9,338	**329,174**	319,805
Hong Kong	**716**	1,082	**38,514**	38,516
	6,985	10,420	**367,688**	358,321

* *Non-current assets exclude interest in associates, available for sale financial asset and unallocated non-current asset.*

5. OTHER OPERATING INCOME

Other operating income included the following items:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Interest income	**1,905**	1,909
Net exchange gain	**6,652**	–

6. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Interest on:		
Convertible notes	**8,506**	7,640
Bank loans	**3,015**	3,293
Other loan	**119**	–
	11,640	10,933

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Deferred tax:		
Temporary differences arising in current period	**2,029**	2,004

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil). PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods.

8. PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Profit for the period has been arrived at after crediting/(charging):		
Depreciation of property, plant and equipment	**(5,260)**	(4,981)
Auditor's remuneration	**(500)**	(460)
Loss on disposal of property, plant and equipment	**(1,305)**	(68)
Cost of properties held for sale disposed of during the period	**(666)**	–
Finance cost	**(11,640)**	(10,933)
Net exchange gain/(loss)	**6,652**	(5,676)
Total staff costs		
Director's emoluments	**(1,862)**	(2,637)
Other staff cost	**(5,392)**	(6,072)
Retirement benefit schemes contributions for other staffs	**(98)**	(103)
Termination benefits	**(2,789)**	–
	(10,141)	(8,812)
Gross rental income from investment properties	**3,044**	2,255
Less:		
Direct operating expenses from investment properties that generated rental income during the period	**(12)**	(854)
Direct operating expenses from investment properties that did not generated rental income during the period	**(190)**	(158)
	2,842	1,243

9. DISCONTINUED OPERATION

Last year, Foshan City Nanhai District Safety Supervision Authority, Jiujiang Division ("Safety Supervision Authority") issued a notice to Foshan City Nanhai Kang Sheng Timber Company Limited ("Kang Sheng"), a wholly-owned subsidiary, requiring it to upgrade its production facilities to a higher level environmental protection standard.

In this regard, the Board after considering the cost of upgrading the existing machineries, resolved to cease the Group's wood processing business ("discontinued operation") on 31 December 2016.

The results of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows are set out below. The comparative loss and cash flows from discontinued operation have been re-presented to include those operation classified as discontinued in the current period.

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Revenue	–	1,418
Cost of sales	–	(1,822)
Gross loss	–	(404)
Other operating income	–	81
Selling and distribution costs	–	(308)
Administrative expenses	–	(45)
Loss before taxation from discontinued operation	–	(676)
Income tax expense	–	–
Loss for the period from discontinued operation and attributable to owners of the Company	–	(676)

9. DISCONTINUED OPERATION (Continued)

Loss for the period from discontinued operation include the following:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Auditor's remuneration	–	–
Depreciation	–	275

Cash flows from discontinued operation

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Net cash outflows from operating activities	–	(295)
Net cash outflows	–	(295)

None of the assets or liabilities related to disposal group was classified as held for sale.

10. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

11. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the profit attributable to the owners of the Company of approximately HK$12,272,000 (six months ended 30 June 2016: profit of HK$843,000) and on the number of 1,712,329,142 ordinary shares (six months ended 30 June 2016: 1,712,329,142 ordinary shares) in issue during the period.

No diluted earnings per share has been presented as there were no diluting events existing for the six months ended 30 June 2016 and 2017.

From continuing operations

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

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Profit for the period attributable to owners of the Company	12,272	843
Add:		
Loss for the period from discontinued operation	–	676
Earning for the purpose of basic and diluted earnings per share from continuing operations	12,272	1,519

11. EARNINGS PER SHARE (Continued)

From continuing and discontinued operations

Number of shares

	Six months ended 30 June	
	2017	2016
	'000	*'000*
	(unaudited)	(unaudited)
Number of ordinary shares for the purpose of basic and diluted earnings per share	**1,712,329**	1,712,329

The denominators used are the same as those detailed above for both the basic and diluted earnings per share.

For the six months ended 30 June 2017 and 2016, no dilutive earnings per share has been presented as the outstanding convertible notes for the period had no dilutive effect on the basic earnings per share as the conversion price was higher than the average market price of the Company's ordinary shares, and the conversion of the Company's outstanding convertible notes could only be converted into shares at any time following the third anniversary of the issue date (i.e. 13 October 2017) up to the maturity date on 13 October 2019.

From discontinued operation

In prior period, basic and diluted loss per share from discontinued operation was approximately HK0.04 cent, based on the loss from discontinued operation of approximately HK$676,000 and the denominators detailed above for both the basic and diluted loss per share.

12. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

	Guangdong Financial Leasing Co., Ltd 30 June 2017 *HK$'000* (unaudited)	Nanhai Changhai Power Company Limited 30 June 2017 *HK$'000* (unaudited)	Total 30 June 2017 *HK$'000* (unaudited)	Total 31 December 2016 *HK$'000* (audited)
Initial cost of investment in associate				
Unlisted	**191,977**	**485,042**	**677,019**	677,019
Less: Distribution from pre-acquisition profit	**–**	**(143,562)**	**(143,562)**	(143,562)
	191,977	**341,480**	**533,457**	533,457
Share of post-acquisition profits	**47,319**	**151,087**	**198,406**	161,423
Share of exchange differences	**(15,307)**	**(39,391)**	**(54,698)**	(74,493)
	223,989	**453,176**	**677,165**	620,387

Details of each the Group's material associates at the end of the reporting period are as follows:

Company name	Place of the entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group	Proportion of voting rights held by the Group	Principal activities
Guangdong Financial Leasing Co., Ltd	Incorporated	PRC	PRC	Ordinary	25%	25%	Finance leasing business and related advisory and guarantee services
Nanhai Changhai Power Company Limited	Incorporated	PRC	PRC	Ordinary	32.636%	32.636%	Generation and sale of electricity and heated steam

12. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in the condensed consolidated financial statements.

Guangdong Financial Leasing Co., Ltd

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current assets	**1,834,178**	1,185,626
Non-current assets	**2,859,075**	2,395,519
Current liabilities	**(1,286,989)**	(699,069)
Non-current liabilities	**(2,350,818)**	(1,893,538)
Net assets value	**1,055,446**	988,538

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	**119,126**	105,526
Profit for the period	**35,640**	36,523
Exchange differences for the period	**25,937**	(19,023)
Total comprehensive income for the period	**61,577**	17,500

12. INTERESTS IN ASSOCIATES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the condensed consolidated financial statements:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Net assets of the associate	**1,055,446**	988,538
Non-controlling interest of the associate's subsidiary	**(159,489)**	(154,158)
	895,957	834,380
Proportion of the Group's ownership interest in Guangdong Financial Leasing Co., Ltd	**25%**	25%
Carrying amount of the Group's interest in Guangdong Financial Leasing Co., Ltd	**223,989**	208,595

Nanhai Changhai Power Company Limited

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current assets	**821,680**	669,576
Non-current assets	**891,562**	903,480
Current liabilities	**(324,667)**	(311,285)
Net assets value	**1,388,575**	1,261,771

12. INTERESTS IN ASSOCIATES (Continued)

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	**574,312**	441,623
Profit for the period	**86,018**	78,780
Exchange differences for the period	**40,786**	(29,090)
Total comprehensive income for the period	**126,804**	49,690

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the condensed consolidated financial statements:

	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Net assets of the associate	**1,388,575**	1,261,771
Proportion of the Group's ownership interest in Nanhai Changhai Power Company Limited	**32.636%**	32.636%
Carrying amount of the Group's interest in Nanhai Changhai Power Company Limited	**453,176**	411,792

13. TRADE AND OTHER RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group allows an average credit period of 90 days to its customers.

The following is an aging analysis of the Group's trade receivables after deducting the allowance for doubtful debts presented based on invoice date at the end of the reporting period:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**190**	1,160
61 – 90 days	**77**	140
91 –120 days	**76**	128
Over 120 days	**215**	180
Trade receivables	**558**	1,608
Other receivables and prepayments	**18,164**	4,879
	18,722	6,487

The Group does not hold any collateral or other credit enhancements over these balances.

14. TRADE AND OTHER PAYABLES

The credit period granted by the Group's suppliers ranges from 30 days to 90 days.

The following is an aging analysis of the Group's trade payables by age based on the invoice date at the end of the reporting period:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**–**	1,177
61 – 90 days	**–**	120
91 –120 days	**1**	101
Over 120 days	**89**	168
Trade payables	**90**	1,566
Other payables	**107,352**	109,138
	107,442	110,704

Other payables included the following items:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Other tax payable	**9,231**	8,946
Convertible notes payable and interest thereon *(Note 1)*	**78,819**	78,819
Others *(Note 2)*	**19,302**	21,373
	107,352	109,138

14. TRADE AND OTHER PAYABLES (Continued)

Notes:

1. On 9 May 2002, the Group issued HK$230,000,000 convertible notes (the "2002 CB") which were due on 9 May 2007 (the "Maturity Date"), bearing interest at 1% per annum and in units of HK$1,000,000 each. As at 30 June 2017 and 31 December 2016, the balance of HK$75,000,000 2002 CB were due but not converted. Such principal monies together with all interest accrued thereon up to Maturity Date, amounting to HK$3,819,000 (31 December 2016: HK$3,819,000), were reclassified as other payables and are repayable on demand.

2. Others include accrued staff salaries and welfare, interest payable, deposit received from hotel customers and other temporary receipts.

The Directors considered that the carrying amount of trade and other payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. BORROWINGS

	30 June 2017 **HK$'000** **(unaudited)**	31 December 2016 *HK$'000* (audited)
Bank loans	**134,565**	136,383
Other loan	**37,975**	–
	172,540	136,383
Secured	**134,565**	136,383
Unsecured	**37,975**	–
	172,540	136,383
Carrying amount of the above borrowings are repayable:		
Within one year*	**74,797**	36,004
More than one year, but not exceeding two years	**23,015**	22,322
More than two years, but not more than five years	**31,646**	27,902
More than five years	**43,082**	50,155
	172,540	136,383
Less: Amounts shown under current liabilities	**74,797**	36,004
	97,743	100,379

On 12 April 2017, the Group obtained a one-year short-term loan amounting to RMB33,000,000 from the Group's associate, Nanhai Changhai Power Company Limited, is unsecured with a fixed interest rate at 2.6% per annum.

* *According to HK Int 5 which requires the classification of whole instalment loans containing the repayment on demand clause as current liabilities, the aggregate carrying amounts of HK$26,465,000 (31 December 2016: HK$27,075,000) have been reclassified from non-current liabilities to current liabilities as at 30 June 2017.*

16. NON-CONTROLLING INTERESTS

The table below shows details of the non-wholly owned subsidiary of the Company that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests		Proportion of voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
						HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
						(unaudited)	(unaudited)	**(unaudited)**	(audited)
Foshan Zhong Chuang Property Service Company Limited* and its non-wholly owned subsidiary 佛山市中創物業服務有限公司	PRC	**58%**	–	**40%**	–	**479**	–	**971**	–
Guangdong Yibaijan Comprehensive Health Technology Ltd* 廣東壹佰健大健康科技有限公司	PRC	**30%**	–	**30%**	–	**185**	–	**505**	–
						664	–	**1,476**	–

* *For identification purposes only*

Summarised financial information in respect of the Group's subsidiaries that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Foshan Zhong Chuang Property Service Company Limited ("Zhong Chuang") and its non-wholly owned subsidiary

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current assets	**1,631**	–
Non-current assets	**13**	–
Current liabilities	**(33)**	–
Equity attributable to owners of the Company	**640**	–
Total non-controlling interests	**971**	–

16. NON-CONTROLLING INTERESTS (Continued)

Foshan Zhong Chuang Property Service Company Limited ("Zhong Chuang") and its non-wholly owned subsidiary (Continued)

	30 June 2017 HK$'000 (unaudited)	30 June 2016 HK$'000 (unaudited)
Expenses	**(794)**	–
Loss for the period attributable to:		
Owners of the Company	**(321)**	–
Non-controlling interests of Zhong Chuang	**(443)**	–
Non-controlling interests of Zhong Chuang's subsidiary	**(27)**	–
	(791)	–
Other comprehensive expense, net of income tax:		
Exchanges differences arising on translation of foreign operations:		
Owners of the Company	**(6)**	–
Non-controlling interests of Zhong Chuang	**(8)**	–
Non-controlling interests of Zhong Chuang's subsidiary	**(1)**	–
	(15)	–
Loss and total comprehensive expense attributable to:		
Owners of the Company	**(327)**	–
Non-controlling interests of Zhong Chuang	**(451)**	–
Non-controlling interests of Zhong Chuang's subsidiary	**(28)**	–
	(806)	–
Net cash outflow from operating activities	**(773)**	–
Net cash outflow from investing activities	**(13)**	–
Net cash inflow from financing activities	**2,417**	–
Net cash inflow	**1,631**	–

16. NON-CONTROLLING INTERESTS (Continued)

Guangdong Yibaijan Comprehensive Health Technology Ltd ("Yibaijan")

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current assets	**6,535**	–
Non-current assets	**21**	–
Current liabilities	**(1,649)**	–
Equity attributable to owners of the Company	**4,402**	–
Non-controlling interests	**505**	–

	30 June 2017	30 June 2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Expenses	**(608)**	–
Loss for the period attributable to:		
Owners of the Company	**(424)**	–
Non-controlling interests of Yibaijan	**(182)**	–
	(606)	–
Other comprehensive expense, net of income tax:		
Exchanges differences arising on translation of foreign operations:		
Owners of the Company	**(8)**	–
Non-controlling interests of Yibaijan	**(3)**	–
	(11)	–

16. NON-CONTROLLING INTERESTS (Continued)

Guangdong Yibaijan Comprehensive Health Technology Ltd ("Yibaijan") (Continued)

	30 June 2017	30 June 2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss and total comprehensive expense attributable to:		
Owners of the Company	**(432)**	–
Non-controlling interests of Yibaijan	**(185)**	–
	(617)	–
Net cash outflow from operating activities	**(3,493)**	–
Net cash outflow from investing activities	**(21)**	–
Net cash inflow from financing activities	**5,524**	–
Net cash inflow	**2,010**	–

17. EVENT AFTER REPORTING PERIOD

On 25 July 2017, the Group signed a provisional sale and purchase agreement in respect of the sale of Portion A on the Ground Floor of Kai Yip Factory Building, Nos.15-17 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong, at a price of HK$33,800,000. The transaction is expected to be completed on or before 31 October 2017.

RESULTS

For the six months ended 30 June 2017, the Group's revenue amounted to HK$6,985,000, representing a decrease of 41.0% as compared to the same period of last year, which was mainly arising from Guilin Plaza Hotel temporarily closed for renovation work starting from March of this year. Due to an exchange gain of HK$6,652,000 arising from the appreciation of the Renminbi during the period and increase of the share of profits of associates to HK$36,983,000, the Group recorded a substantial rise in net profit in the first half of the year to HK$11,620,000, representing an increase of 12.8 times as compared to the same period of last year.

HOTEL BUSINESS

In order to adapt to market changes, Guilin Plaza Hotel has carried out a comprehensive renovation in business model, by joining as a franchisee of the James Joyce Coffetel owned by Plateno Group, and through comprehensive renovation work, the hotel business has been divided into two segments, namely hotel tourism and commercial leasing. As Guilin Plaza Hotel has been closed starting from March in this year to carry out comprehensive renovation work, revenue decreased by 74.1% to HK$2,114,000 in the first half of the year and operating loss amounted to HK$10,428,000, representing an increase of 132.8% as compared to the same period of last year.

It is scheduled to be re-opened with a brand-new look in late August of this year. And then the hotel business will grow step by step.

PROPERTY INVESTMENTS

The Group's overall rental income in the first half of 2017 was HK$3,044,000, representing an increase of 35.0% as compared to the same period in last year. Among this, since the ancillary facilities enhancement work at Zhongkong Tower in Foshan was completed, the overall occupancy rate of Zhongkong Tower increased to 52.2%, and the full-year rental income amounted to HK$1,346,000, representing an increase of HK$1,198,000 as compared to the same period of last year.

Due to the domestic promotion of "VAT replacing the business tax" (refers to Business Tax Replaced by Value-added Tax), in-price tax was changed into out-price tax, making the overall rental income of Shantou International Commerce Building and Huizhou International Commerce Building decrease as compared to the same period of last year, and affected by factors like depreciation of the Renminbi as compared to the same period of last year, two properties full-year rental income amounted to HK$982,000, representing a decrease of 4.2% as compared to the same period of last year.

As for the property sales, the Group has sold four units in Shantou International Commerce Building, cashed out totally HK$1,827,000 and achieved gains of HK$1,161,000. After the period end, the Group signed respective agreements on selling two units of Huizhou International Commerce Building and the unit A on the ground floor in Kai Yip Factory Building, San Po Kong, Hong Kong. The above transactions will be completed in the second half year, and expected to cash out totally about HK$33,800,000 and generate total estimated gains around HK$14,450,000.

WELLNESS BUSINESS

Guangdong Yibaijian Comprehensive Health Technology Ltd. (a 70%-owned joint venture company of the Group) has completed the whole construction work and passed the comprehensive system test of Smart Platform for Management of Comprehensive Elderly Care Services in Nanhai district ("Smart Elderly Care Services Platform"), and it has officially conducted pilot operation in Dali Town and Shishan Town, Nanhai District on 12 July 2017, and is scheduled to be operated with comprehensive coverage in Nanhai District in early 2018. Smart Elderly Care Services Platform is a breakthrough point for the Group to enter elderly care industry, and it is at the primary investment and construction stage, thus, it temporarily failed to provide any profit and gains for the Group.

PROFIT ON INVESTMENTS IN ASSOCIATES

Nanhai Changhai Power Company Limited ("Changhai Power"), (a company in which the Group holds 32.636% of its equity interest), implemented technological transformation of its boilers at the beginning of last year, resulting in a temporary suspension of operation of the boilers and impact on power generation and gas provided, while there was no relevant technological transformation in the first half of this year, both of the power sale quantity and steam volume increased as compared to the same period of last year. Although coal pricing rise led to increase of cost, for the six months ended 30 June 2017, there was still a rise in operating performance and recorded operating profit of HK$86,018,000, contributing a profit of HK$28,073,000 to the Group, representing an increase of 9.2% as compared to last period of last year.

Due to the depreciation of Renminbi as compared to the same period of last year, for the six months ended 30 June 2017, Guangdong Financial Leasing Co., Ltd. (「Guangdong Financial Leasing」) (a 25%-owned associate of the Group) recorded net operating profit of HK$35,640,000, contributing a profit of HK$8,910,000 to the Group, representing a decrease of 2.4% as compared to the same period of last year.

FINANCIAL POSITION AND ANALYSIS

For the six months ended 30 June 2017, the Group has total assets of HK$1,394,040,000 (31 December 2016: HK$1,316,578,000), bank loans and other long-term liabilities of HK$302,138,000 (31 December 2016: HK$257,475,000), net assets amounted to HK$964,751,000 (31 December 2016: HK$931,287,000), with 21.7% gearing ratio (being bank loans and long-term borrowings divided by total assets) (31 December 2016: 19.6%) and equity attributable to owners of the Company per share of HK56.26 cents (31 December 2016: HK54.39 cents).

The Group's net current assets amounted to HK$30,583,000 (31 December 2016: HK$60,051,000), with current ratio (being current assets divided by current liabilities) approximately 1.16 times (31 December 2016: 1.39 times), while bank balances and cash amounted to HK$146,186,000 (31 December 2016: HK$151,097,000). There will be sufficient funds to meet the capital requirements for the Group's operations or new projects or business development in the future.

PLEDGE OF ASSETS

As at 30 June 2017, self-occupied and investment properties of the Group with a carrying amount of approximately HK$306,976,000 were pledged to bank as the security for the bank borrowings granted to the Group. (31 December 2016: self-occupied and investment properties of the Group with a carrying amount of approximately HK$301,578,000 were pledged to bank).

FOREIGN EXCHANGE EXPOSURE

The Group's main operating income and costs are denominated in Renminbi ("RMB"). During the Group's operating process, the foreign exchange fluctuation of the income and costs can be mutually offset. However, due to the Hong Kong-based Group putting a great number of business loans into domestic wholly-owned subsidiaries and considerable RMB-denominated monetary assets owned by the Group, the RMB appreciation and depreciation should bring exchange gain and loss respectively. It is expected that, when the exchange rate of RMB to HK dollars appreciates or depreciates by 5%, it will cause an increase or a decrease of HK$11,173,000 in the profit of this year; In retrospect of the past few years, RMB was always in the trend of appreciation, and gradually became stable until the second half of 2008 and still maintained upward momentum. Although the exchange rate of RMB started to experience downward adjustment repeatedly in recent years, it experienced rebound and an exchange gain of HK$6,652,000 was recorded in the first half of last year. Therefore, the Board believes that the range of RMB depreciation will be limited, the chance of significant RMB depreciation will not be high and will not bring material adverse foreign exchange exposure to the Group in the long run. Accordingly, it is unnecessary for the Group to hedge against any foreign exchange risk.

OUTLOOK

Looking forward to the second half of this year, the re-opening operation of Guilin Plaza Hotel and the continuous increase of the occupancy rate of Zhongkong Tower are expected to bring continuous and steady income to the Group. While actively expand and improve the existing business, the Group will continue to look for investment projects with long-term development potential and steady income, in order to make the Group's business more diversified and increase stable income sources.

EMPLOYEES

The total number of employees of the Group is approximately 98 (31 December 2016: 161). The remuneration of the employees of the Group is determined on the basis of performance and responsibility of the employees. The Group provides education allowances to the employees.

INTERIM DIVIDEND

The Directors resolved not to declare payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

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

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE

The Company puts great emphasis on corporate governance which is reviewed and strengthened on a continued basis. The Company has adopted all the code provisions under the Corporate Governance Code ("the Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code on corporate governance practice. For the six months ended 30 June 2017, the Company has complied with all the code provisions under the Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer ("the Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. On specific enquiry made, all Directors have confirmed that, in respect of the six months ended 30 June 2017, they have complied with the required standard as set out in the Model Code.

AUDIT COMMITTEE

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 unaudited interim results for the six months ended 30 June 2017.

By Order of the Board of
China Investments Holdings Limited
He Xiangming
Chairman

Hong Kong, 17 August 2017

As at the date of this announcement, the Board consists of five executive directors, namely Mr. HE Xiangming (Chairman), Mr. LIN Pingwu (Managing Director), Mr. YOU Guang Wu (Director), Mr. HUANG Zhihe (Deputy Managing Director) and Ms. WANG Xin (Deputy Managing Director) and three independent non-executive directors, namely Mr. CHAN Kwok Wai, Mr. CHEN Da Cheng and Mr. DENG Hong Ping.