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

(incorporated in Bermuda with limited liability)

(Stock Code: 736)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

The board (the "board") of directors (the "directors") of China Properties Investment Holdings Limited (the "company") hereby announces the unaudited condensed consolidated interim results of the company and its subsidiaries (together the "group") for the six months ended 30 September 2017, together with the comparative figures of the corresponding period last year as follows:

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2017

		Six months ended 30 September	
		2017	2016
		(Unaudited)	(Unaudited) (Restated)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**34,110**	27,560
Cost of sales and services rendered		**(1,266)**	(7,536)
Gross profit		**32,844**	20,024
Valuation gains on investment properties		**19,364**	808
Other revenue		**369**	620
Other net income and losses		**(881)**	454
Administrative expenses		**(36,550)**	(45,868)
Other operating expenses		**(421,950)**	(29)
Loss from operations		**(406,804)**	(23,991)
Finance costs		**(1,640)**	(4,355)
Share of loss of an associate		**–**	(8)
Loss on disposal of an associate		**–**	(58)
Loss before taxation	*5*	**(408,444)**	(28,412)
Income tax	*6(a)*	**(5,442)**	462
Loss for the period		**(413,886)**	(27,950)
Attributable to:			
Owners of the company		**(413,886)**	(27,974)
Non-controlling interests		**–**	24
Loss for the period		**(413,886)**	(27,950)
		HK$	*HK$*
Loss per share	*7*		
– Basic		**(9 cents)**	(1 cent)
– Diluted		**(9 cents)**	(1 cent)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited) (Restated)
	HK$'000	*HK$'000*
Loss for the period	**(413,886)**	(27,950)
Other comprehensive (loss)/income for the period		
Available-for-sale investments		
– Changes in fair value	**(385,983)**	12,752
– Reclassification adjustments relating to recognition of impairment loss	**304,386**	–
Exchange differences on translation of:		
– financial statements of group entities	**10,189**	(7,184)
Total other comprehensive (loss)/income for the period	**(71,408)**	5,568
Total comprehensive loss for the period	**(485,294)**	(22,382)
Attributable to:		
Owners of the company	**(485,294)**	(22,406)
Non-controlling interests	**–**	24
Total comprehensive loss for the period	**(485,294)**	(22,382)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	30/9/2017 (Unaudited) HK$'000	31/3/2017 (Audited) HK$'000
Non-current assets			
Plant and equipment		**10,942**	12,865
Investment properties		**263,314**	234,015
Intangible assets		**8,212**	9,330
Goodwill		**4,748**	4,748
Available-for-sale investments		**115,614**	501,597
Loan receivables		**48,000**	–
		450,830	762,555
Current assets			
Property under development		**20,524**	18,576
Trade and other receivables	*8*	**127,127**	82,886
Loan receivables		**191,423**	275,000
Trading securities		**31,985**	153,152
Fixed deposits		**11,267**	11,658
Cash and bank balances – trust accounts		**13,631**	6,822
Cash and bank balances – general accounts		**137,509**	136,775
		533,466	684,869
Current liabilities			
Trade and other payables	*9*	**27,604**	19,958
Interest-bearing borrowings		**14,084**	10,148
Tax payable		**1,852**	1,067
		43,540	31,173

	Notes	30/9/2017 (Unaudited) HK$'000	31/3/2017 (Audited) HK$'000
Net current assets		**489,926**	653,696
Total assets less current liabilities		**940,756**	1,416,251
Non-current liabilities			
Deferred tax liabilities	*6(b)*	**22,063**	16,699
Unconvertible bonds		**20,000**	20,000
		42,063	36,699
NET ASSETS		**898,693**	1,379,552
Equity			
Equity attributable to owners of the company			
Share capital		**48,576**	48,576
Reserves		**850,117**	1,330,976
TOTAL EQUITY		**898,693**	1,379,552

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2017 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The preparation of the unaudited condensed consolidated financial statements is in conformity with HKAS 34 requiring management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2017, except for the adoption of the new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards as disclosed in note 2 below. The unaudited condensed consolidated financial statements do not include all the information and disclosures required for an annual financial statements, and should be read in conjunction with the financial statements of the group for the year ended 31 March 2017.

Change in presentation and functional currency

Having considered over 85% of the group's revenue and business activities are conducted in Hong Kong and the functional currency of those subsidiaries in Hong Kong is Hong Kong Dollars ("HKD"), the company has decided to adopt and use HKD as the company's functional and the group's presentation currency in presenting the financial performance and the financial position of the group effective from 1 April 2016, so as to better reflect the underlying performance of the group and for better alignment with the underlying business operations of the group. As a result, the group changed its presentation currency from Renminbi ("RMB") to HKD for the preparation of its financial statements.

The change in presentation currency has been applied retrospectively. The comparative figures in this unaudited condensed consolidated financial statements were then translated from RMB to HKD using the applicable closing rates for assets and liabilities in the condensed consolidated statement of financial position and applicable average rates that approximated to actual rates for items in the condensed consolidated statement of profit or loss. Share capital, share premium and reserves were translated at the exchange rate at the date when the respective amounts were determined (i.e. historical exchange rates).

The measurement basis used in the preparation of the financial statement is the historical cost basis except that the following assets are stated at their fair value:

– investment properties
– trading securities
– available-for-sale investments

The unaudited condensed consolidated interim financial information for the period ended 30 September 2017 comprise the company and its subsidiaries.

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

In the current interim period, the group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 Cycle

There have been no significant changes to the accounting policy applied in these financial statements for the periods as a result of the developments.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the group. These information are reported to and reviewed by the board of directors, chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and each service type perspectives. Geographically, management considers the performance of the segments in Hong Kong and mainland China. The group has presented the following four reportable segments. These segments are managed separately. The properties investment segment, the educational support services segment, money lending business segment and financial services segment offer very different products and services.

i) Properties investment

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

ii) Educational support services

The educational support services reportable segment derives its revenue from the provision of students referral services to overseas schools, overseas education counseling and schools enrolling services of students, trading of educational software and hardware and provision of education, skill training and education consultation.

iii) Money lending business

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

iv) Financial services

The financial services reportable segment derives its revenue from providing brokerage services for securities dealing, placing and undertaking services, margin financing and asset management.

a) Segment results, assets and liabilities

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

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

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

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of profit or loss.

All assets are allocated to reportable segments other than available-for-sale investments, property under development, trading securities and corporate assets. All liabilities are allocated to reportable segments other than unconvertible bonds and corporate liabilities.

Information regarding the group's reportable segments as provided to the group's CODM for the purposes of resources allocation and assessment of segment performance for the period ended 30 September 2017 and 2016 is set out below.

	Six months ended 30 September 2017 (Unaudited)					Six months ended 30 September 2016 (Unaudited) (Restated)				
	Properties investment	**Educational support services**	**Money lending business**	**Financial services**	**Total**	Properties investment	Educational support services	Money lending business	Financial services	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	**4,810**	**–**	**23,294**	**6,006**	**34,110**	5,280	9,453	12,655	172	27,560
Reportable segment revenue	**4,810**	**–**	**23,294**	**6,006**	**34,110**	5,280	9,453	12,655	172	27,560
Reportable segment profit/(loss) before taxation	**17,409**	**–**	**22,865**	**(151)**	**40,123**	191	(422)	11,938	(3,213)	8,494
Interest income on bank deposits	**1**	**–**	**–**	**1**	**2**	7	–	–	2	9
Depreciation and amortisation										
– Plant and equipment	**(710)**	**–**	**–**	**(109)**	**(819)**	(239)	(146)	–	(52)	(437)
– Intangible assets	**–**	**–**	**–**	**(1,118)**	**(1,118)**	–	(4,021)	–	–	(4,021)
Valuation gain on investment properties	**19,364**	**–**	**–**	**–**	**19,364**	808	–	–	–	808
Finance costs	**(1,138)**	**–**	**–**	**–**	**(1,138)**	(729)	–	–	–	(729)

	As at 30 September 2017 (Unaudited)				As at 31 March 2017 (Audited)			
	Properties investment	**Money lending business**	**Financial services**	**Total**	Properties investment	Money lending business	Financial services	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	**281,864**	**257,940**	**169,106**	**708,910**	246,312	309,831	123,022	679,165
Additions to non-current assets during the period/year	**8**	**–**	**–**	**8**	4,638	–	16,983	21,621
Reportable segment liabilities	**43,274**	**1,852**	**11,581**	**56,707**	29,403	1,066	8,809	39,278

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

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited) (Restated)
	HK$'000	*HK$'000*
(i) Revenue		
Total reportable segment revenue	**34,110**	27,560
Consolidated turnover	**34,110**	27,560
(ii) Loss before taxation		
Total reportable segments' profit	**40,123**	8,494
Share of loss of an associate	**–**	(8)
Unallocated corporate income	**255**	454
Depreciation	**(1,526)**	(1,015)
Interest income	**44**	65
Unallocated finance costs	**(502)**	(3,626)
Fair value change on warrants	**–**	73
Net change in unrealised fair value loss of trading securities	**(28,107)**	(29)
Realised loss on dealing of trading securities	**(89,457)**	–
Impairment loss recognised in respect of available-for-sale investments reclassified from equity to profit or loss	**(304,386)**	–
Unallocated corporate expenses	**(24,888)**	(32,820)
Consolidated loss before taxation	**(408,444)**	(28,412)

	As at 30 September 2017 (Unaudited) *HK$'000*	As at 31 March 2017 (Audited) *HK$'000*
(iii) Assets		
Total reportable segments' assets	**708,910**	679,165
Available-for-sale investments	**115,614**	501,597
Property under development	**20,524**	18,576
Trading securities	**31,985**	153,152
Unallocated corporate assets	**107,263**	94,934
Consolidated total assets	**984,296**	1,447,424
(iv) Liabilities		
Total reportable segments' liabilities	**(56,707)**	(39,278)
Unconvertible bonds	**(20,000)**	(20,000)
Unallocated corporate liabilities	**(8,896)**	(8,594)
Consolidated total liabilities	**(85,603)**	(67,872)

(v) Other items

	Six months ended 30 September 2017 (Unaudited)				
	Properties investment *HK$'000*	**Money lending business** *HK$'000*	**Financial services** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Interest income					
– bank deposits	**1**	**–**	**1**	**44**	**46**
Depreciation	**(710)**	**–**	**(109)**	**(1,526)**	**(2,345)**
Finance costs	**(1,138)**	**–**	**–**	**(502)**	**(1,640)**

	Six months ended 30 September 2016 (Unaudited) (Restated)					
	Properties investment *HK$'000*	Educational support services *HK$'000*	Money lending business *HK$'000*	Financial services *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income						
– bank deposits	7	–	–	2	65	74
Depreciation	(239)	(146)	–	(52)	(1,015)	(1,452)
Finance costs	(729)	–	–	–	(3,626)	(4,355)

c) Revenue from major services

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

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Properties investment	**4,810**	5,280
Educational support services	**–**	9,453
Money lending business	**23,294**	12,655
Financial services	**6,006**	172
	34,110	27,560

d) Geographic information

The following is an analysis of geographical location of (i) the group's revenue from external customers and (ii) the group's non-current assets. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The group's non-current assets (other than financial investments) include plant and equipment, investment properties, intangible assets and goodwill. The geographic location of plant and equipment and investment properties are based on the physical location of the asset. In the case of intangible assets and goodwill, it is based on the location of operation to which they are allocated.

	Revenue from external customers		**Non-current assets**	
	Six months ended 30 September 2017	Six months ended 30 September 2016	**As at 30 September 2017**	As at 31 March 2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
		(Restated)		
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**29,300**	22,280	**16,686**	18,981
PRC	**4,810**	5,280	**267,100**	238,342
Others	**–**	–	**3,430**	3,635
	34,110	27,560	**287,216**	260,958

4. REVENUE

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

Revenue represents rental income from investment properties, commission income from educational support services, sales of educational products, educational services income, investment management fee income, commission and fees income on dealing in securities, interest income from margin and initial public offer financing and loan interest income. The amount of each significant category of revenue recognised in revenue during the period is as follows:

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Rental income from investment properties	**4,810**	5,280
Commission income from educational support services	**–**	936
Sales of educational products	**–**	7,414
Loan interest income	**23,294**	12,655
Educational service income	**–**	1,103
Investment management fee income	**30**	9
Commission and fees income on dealing in securities	**1,182**	163
Interest income from margin and initial public offer financing	**4,794**	–
	34,110	27,560

5. LOSS BEFORE TAXATION

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

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
a) Finance costs		
Interest expense on interest-bearing borrowings	**1,138**	729
Interest expense on other borrowings	**1**	–
Interest on promissory notes	**–**	3,125
Interest on unconvertible bonds	**501**	501
	1,640	4,355
b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**11,507**	21,531
Contribution to defined contribution retirement plans	**422**	515
Equity-settled share-based payment expenses	**4,435**	–
	16,364	22,046
c) Other items		
Auditor's remuneration – other services	**450**	397
Amortisation of intangible assets, included in cost of sales and services rendered	**1,118**	4,021
Operating lease charges: minimum lease payments	**4,726**	4,675
Depreciation	**2,345**	1,452
Gross rental income from investment properties less direct outgoings of HK$119,000 (2016: HK$682,000)	**(4,690)**	(4,599)
d) Other operating expenses		
Loss on dealing of trading securities	**117,564**	29
Impairment loss recognised in respect of available-for-sale investments reclassified from equity to profit or loss	**304,386**	–
	421,950	29

6. INCOME TAX

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

	Six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**785**	–
	785	–
Deferred tax		
Origination and reversal of temporary differences	**4,657**	(462)
Income tax expenses/(credit)	**5,442**	(462)

Note:

i) For the period ended 30 September 2017 and 2016, the provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of estimated assessable profits for the period.

ii) The PRC enterprise income tax ("EIT") for the period ended 30 September 2017 is 25% (2016: 25%). The EIT has not been provided for as the group has incurred losses in PRC for the period.

b) Movements of deferred tax liabilities in the condensed consolidated statement of financial position are as follows:

	Intangible assets *HK$'000*	**Revaluation of investment properties** *HK$'000*	**Depreciation allowances in excess of related depreciation** *HK$'000*	**Total** *HK$'000*
Deferred tax liabilities arising from:				
At 1 April 2016	2,425	10,947	95	13,467
Acquisition of subsidiaries	1,838	–	–	1,838
Deferred tax (credited)/charged to the profit or loss	(1,115)	5,004	–	3,889
Disposal of subsidiaries	(1,609)	–	(95)	(1,704)
Exchange alignment	–	(791)	–	(791)
At 31 March 2017	1,539	15,160	–	16,699
At 1 April 2017	**1,539**	**15,160**	**–**	**16,699**
Deferred tax (credited)/charged to the profit or loss	**(184)**	**4,841**	**–**	**4,657**
Exchange alignment	**–**	**707**	**–**	**707**
At 30 September 2017	**1,355**	**20,708**	**–**	**22,063**

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 HK$413,886,000 (2016: HK$27,974,000) and on the weighted average number of 4,857,582,000 ordinary shares in issue during the period (2016: 2,315,015,000 ordinary shares).

Weighted average number of ordinary shares:

	2017 Weighted average number of ordinary shares	2016 Weighted average number of ordinary shares
	'000	*'000*
		(Restated)
Issued ordinary shares at 1 April	**4,857,582**	1,104,601
Effect on right issue	**–**	1,210,414
Weighted average number of ordinary shares at the end of the period	**4,857,582**	2,315,015

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

b) Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding share options and warrants had an anti-dilutive effect on the basis loss per share for the periods ended 30 September 2017 and 2016.

8. TRADE AND OTHER RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on invoice date and net of allowance for doubtful debts, is as follows:

	At 30 September 2017 (Unaudited) ***HK$'000***	At 31 March 2017 (Audited) *HK$'000*
Within 1 month	**676**	32
1 to 3 months	**1,212**	23
3 to 6 months	**1,848**	–
Over 6 months	**6,034**	5,744
Trade receivables	**9,770**	5,799
Within 1 month	**2,306**	6,680
Interest receivables from money lending business	**2,306**	6,680
Accounts receivable from the business of dealing in securities *(note 3)*		
Clearing house and cash clients	**243**	10,852
Secured margin loans	**102,338**	52,229
Other loan and interest receivables *(note 2)*	**45,138**	45,138
Less: impairment	**(45,138)**	(45,138)
Other loan and interest receivables (net)	**–**	–
Other receivables	**378**	311
Loans and receivables	**115,035**	75,871
Prepayments and deposits	**12,092**	7,015
	127,127	82,886

Note:

1) Trade receivables are due within 0-60 days from the date of billing. Interest receivables are provided on an accrual basis.

2) On 27 July 2011, the company entered into a participation deed with the Simsen Capital Finance Limited ("Simsen") and the sub-participation agreement with Power Alliance International Limited respectively in relation to the participation of the advancement of the first participation amount of HK$42,000,000 and second participation amount of HK$8,000,000 (together the "Participation Loans"). The interest rate for Participation Loans was 18% per annum. The Participation Loans are in association with a loan agreement (the "Loan Agreement") between Simsen and Make Success Limited ("Borrower"). The Borrower has assigned a promissory note of HK$300,000,000 (the "PN") and a convertible note of HK$90,000,000 (the "CN") as security to Simsen under the Loan Agreement. The PN and CN were issued by Mayer Holdings Limited ("Mayer") to the Borrower.

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

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

3) The settlement terms of accounts receivable, except for secured margin loans, arising from the business of dealing in securities are two days after trade date.

For secured margin loans, as at 30 September 2017 and 31 March 2017, the loans are repayable on demand subsequent to settlement date and carry variable interest at commercial rates. They are generally included in "Neither past due nor impaired" category.

9. TRADE AND OTHER PAYABLES

	At 30 September 2017 (Unaudited) ***HK$'000***	At 31 March 2017 (Audited) *HK$'000*
Accounts payable from the business of dealing in securities		
Margin and cash clients *(note a)*	**9,035**	5,972
Other payables and accruals	**8,955**	10,016
Amount due to a director *(note b)*	**235**	226
Amounts due to related parties *(note b)*	**4,589**	33
Financial liabilities measured at amortised cost	**22,814**	16,247
Receipt in advance	**2,367**	1,383
Rental deposit received (non-refundable)	**2,423**	2,328
	27,604	19,958

Notes:

a) The settlement terms of accounts payable, except for margin loans, arising from the business of dealing in securities are two days after trade date. All of the remaining trade and other payables (including amounts due to related parties and amount due to a director) are expected to be settled or recognised as income within one year or are repayable on demand.

Accounts payable to margin and cash clients arising from the business of dealing in securities bear variable interest at commercial rates, and are repayable on demand subsequent to settlement date.

As at 30 September 2017, included in accounts payable, amounts of HK$9,035,000 (31 March 2017: HK$5,972,000) respectively were payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting the regulated activities. However, the group currently does not have an enforceable right to offset these accounts payables with the deposits placed.

b) The amount due to a director and amounts due to related parties are unsecured, interest-free and repayable on demand.

The following is an aging analysis of accounts payable from the business of dealing in securities presented based on the invoice date:

	At 30 September 2017 (Unaudited) ***HK$'000***	At 31 March 2017 (Audited) *HK$'000*
Within 1 month	**9,035**	5,972

DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

For the properties investment, as at 30 September 2017, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, approximately 100% of which was leased to third parties under operating leases with lease terms ranging up to twelve years. For the six months ended 30 September 2017, the rental income was approximately HKD4.81 million.

For the financial service business, upon completion of the acquisitions of C.P. Securities International Limited (formerly known as J.A.F. Brokerage Limited), which is a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance ("SFO") and is principally engaged in the business of securities brokerage and C.P. Financial Management Limited (formerly known as Hong Kong Financial Management Limited), which is licensed under the SFO to carry on Type 9 (asset management) regulated activity, the group commenced its financial services business in 2016, including the provision of securities trading, margin financing, underwriting and assets management which help diversifying the businesses of the group and broaden the source of its income. For the six months ended 30 September 2017, a segment revenue of approximately HKD6.01 million was recorded.

The money lending business made a steady growth during the period. For the six month ended 30 September 2017, the group had a loan portfolio amounted to approximately HKD239.42 million with the average interest rate of 18%. The interest income generated from the money lending business was approximately HKD23.29 million for the six months ended 30 September 2017, representing an increase of approximately 84.07% in comparison with the same period last year.

Financial Review

For the period under review, the group's turnover was approximately HKD34.11 million (2016: approximately HKD27.56 million), representing an increase of approximately 23.77% compared with the same period last year. The increase in turnover was mainly due to the contribution from the money lending business and the financial services of the group. The unaudited net loss for the period under review was approximately HKD413.89 million (2016: approximately HKD27.95 million) and the basic loss per share for was HKD0.09 (2016: HKD0.01). The increase in the net loss was mainly attributable to the net realised and unrealised loss on investment in listed securities of approximately HKD117.56 million and the impairment loss on the available-for-sale investments of approximately HKD304.39 million.

The administrative expenses of the group for the period amounted to approximately HKD36.55 million, representing a decrease of approximately 20.32% compared with the same period last year. The finance cost of the group amounted to approximately HKD1.64 million which was mainly incurred for the interest-bearing borrowings under the security of investment properties in Shanghai and the unconvertible bonds issued by the company.

Liquidity and Financial Resources

As at 30 September 2017, the group's net current assets were approximately HKD489.93 million (at 31 March 2017: approximately HKD653.70 million), including cash and bank balance of approximately HKD151.14 million (at 31 March 2017: approximately HKD143.60 million).

The group had borrowing of approximately HKD14.08 million as at 30 September 2017 (at 31 March 2017: approximately HKD10.15 million) of which 100% were due within one year from balance sheet date. The gearing ratio, defined as the percentage of debts to the total equity of the company, was 3.80% (at 31 March 2017: 2.19%).

Significant Investments

For the six months ended 30 September 2017, the company has the following significant investments.

Avant Capital Dragon Fund SP

As at 30 September 2017, the company held approximately 310,250 participating shares of the Avant Capital Dragon Fund SP (the "Dragon Fund") with the total investment cost of HKD270 million. The Dragon Fund is a segregated portfolio of Avant Capital SPC which is an exempted segregated portfolio company incorporated under the laws of the Cayman Islands. The fair value of the Dragon Fund was approximately HKD108.11 million as at 30 September 2017 (at 31 March 2017: approximately HKD429.04 million). An impairment loss of approximately HKD161.89 million was recognized for the six months ended 30 September 2017. The Dragon Fund represented 12.03% of the net assets value of the group at the six months ended 30 September 2017 and there was no dividend being distributed by the Dragon Fund for the period under review.

Tiger High Yield Fund

As at 30 September 2017, the company held approximately 193,476 participating shares of the Tiger High Yield Fund Segregate Portfolio (the "Tiger Fund") with the total investment cost of HKD150 million. Tiger Fund a segregated portfolio of Tiger Super Fund SPC which is an exempted segregated portfolio company incorporated under the laws of the Cayman Islands. The fair value of the Tiger Fund was approximately HKD7.50 million as at 30 September 2017 (at 31 March 2017: approximately HKD72.56 million). An impairment loss of approximately HKD142.50 million was recognized for the six months ended 30 September 2017. The Tiger Fund represented 0.84% of the net assets value of the group for the six months ended 30 September 2017 and there was no dividend being distributed by the Tiger Fund for the period under review.

Foreign Exchange Exposure

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

Shares Capital and Capital Structure

There was no change in the share capital and capital structure of the company for the six months ended 30 September 2017.

Charges on the Group's Assets

As at 30 September 2017, the group's investment properties with a value of approximately HKD88.88 million were pledged to secure a borrowing from Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the company.

Contingent Liabilities

As at 30 September 2017, the group did not have any material contingent liability (2016: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the group during the six months ended 30 September 2017.

Employees

As at 30 September 2017, the group has 41 employees. The remuneration was determined with reference to statutory minimum wages, market terms as well as the performance, qualification and experience of individual employees. The group provides contributory provident fund and insurance scheme to the employees. Share option schemes and incentive schemes are adopted to encourage personal commitment of employees.

Outlook

Going forward, the group will remain focused on its existing businesses in properties investment, financial services and money lending business which will enhance the revenue steam of the group. In the meantime, the group will also look for other suitable investment opportunities from time to time so as to maximize the benefit of the company and its shareholders as a whole.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, redemption or sale of any of the company's listed securities by the company or any of the company's subsidiaries during the six months ended 30 September 2017.

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2017, except for the deviation from the requirement of code provision A.2.1 and E.1.2 of the CG Code explained as follows.

The provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The chairman of the company also acted as chief executive officer of the company during the period under review, deviating from the requirement of the code provision A.2.1. The board considered that this structure was conductive with strong and consistent leadership, enabling the company to respond promptly and efficiently to business opportunities and issues.

Provision E.1.2 of the CG Code stipulates that the chairman of the board should attend annual general meetings. The chairman was unable to attend the company's annual general meeting held on 15 September 2017 due to his other work commitments.

AUDIT COMMITTEE

The audit committee of the company (the "Audit Committee") comprises three independent non-executive directors, namely Mr. Lai Wai Yin Wilson, Ms. Cao Jie Min and Liang Kuo-Chieh. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The principal duties of the Audit Committee include the review and supervision of the group's financial reporting process and internal controls.

The Audit Committee has regularly reviewed with the management the accounting principles and policies adopted by the group. The results of the group for the six months ended 30 September 2017 was reviewed by the Audit Committee which is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The company has adopted the Model Code for the 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. The company had also made specific enquiry of the directors and the company was not aware of any non-compliance with the required standard as set out in the Model Code.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE'S WEBSITE

The company's interim report for the six months ended 30 September 2017 will be despatched to the shareholders of the company and published on the Stock Exchange's website and on the company's website in due course.

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

Hong Kong, 29 November 2017

As at the date of this announcement, the executive Directors are Mr. Xu Dong, Mr. Han Wei and Mr. Au Tat On, and the independent non-executive Directors are Mr. Lai Wai Yin Wilson, Ms. Cao Jie Min and Mr. Liang Kuo-Chieh.