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

(incorporated in Bermuda with limited liability)

(Stock Code: 736)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

The board ("board") of directors ("director") of China Properties Investment Holdings Limited ("company") is pleased to announce the audited results of the company and its subsidiaries ("group") for the year ended 31 March 2019 together with the audited comparative figures for the previous year as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2019

	Note	2019 HK$000	2018 HK$000
Revenue	3(a)	**51,604**	61,760
Cost of sales and services rendered		**(2,321)**	(2,493)
Gross profit		**49,283**	59,267
Valuation (loss)/gain on investment properties		**(21,296)**	5,257
Other income	3(b)	**18,896**	498
Other gains and losses		**422**	(1,692)
Selling expenses		**(177)**	(179)
Administrative expenses		**(81,892)**	(102,235)
Other expenses	4	**(28,738)**	(153,154)
Impairment loss of available-for-sale investments reclassified from equity to profit or loss		**–**	(371,856)
Loss from operations		**(63,502)**	(564,094)
Finance costs		**(4,042)**	(3,029)
Loss before taxation		**(67,544)**	(567,123)
Income tax credit/(expenses)	5	**5,190**	(2,333)
Loss for the year		**(62,354)**	(569,456)
Attributable to:			
Owners of the company		**(62,354)**	(569,456)
LOSS PER SHARE	6		
Basic		**(HK1.28 cents)**	(HK11.72 cents)
Diluted		**(HK1.28 cents)**	(HK11.72 cents)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	2019	2018
	HK$'000	*HK$'000*
Loss for the year	**(62,354)**	(569,456)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	**(28,944)**	26,628
	(28,944)	26,628
Available-for-sale investments:		
– Changes in fair value	**–**	(453,453)
– Reclassification adjustments relating to recognition of impairment loss	**–**	371,856
Total other comprehensive loss for the year	**(28,944)**	(54,969)
Total comprehensive loss for the year	**(91,298)**	(624,425)
Attributable to:		
Owners of the company	**(91,298)**	(624,425)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 HK$000	2018 HK$000
Non-current assets			
Plant and equipment		**6,208**	9,748
Investment properties		**229,192**	264,906
Intangible assets		**2,034**	7,101
Goodwill		**2,550**	4,748
Deposit for acquisition of plant and equipment		**–**	2,499
Available-for-sale investments		**–**	48,144
Financial assets at fair value through profit or loss		**45,509**	–
Loan receivables		**309,983**	49,980
		595,476	387,126
Current assets			
Property under development		**20,136**	20,362
Trade and other receivables	*7*	**30,075**	110,672
Loan receivables		**83,433**	209,398
Financial assets at fair value through profit or loss		**31,331**	53,011
Tax recoverable		**–**	809
Available-for-sale investments		**–**	13,745
Fixed deposits		**8,523**	10,339
Cash and bank balances – trust accounts		**6,726**	16,033
Cash and bank balances – general accounts		**40,654**	61,679
		220,878	496,048
Current liabilities			
Trade and other payables	*8*	**19,613**	22,881
Interest-bearing bank borrowings		**5,262**	3,124
Unconvertible bonds		**10,000**	–
Tax payable		**432**	300
		35,307	26,305
Net current assets		**185,571**	469,743
Total assets less current liabilities		**781,047**	856,869

	Note	2019 HK$000	2018 HK$000
Non-current liabilities			
Interest-bearing bank borrowings		**61,973**	34,986
Deferred tax liabilities		**12,036**	19,364
Unconvertible bonds		**10,000**	20,000
		84,009	74,350
NET ASSETS		**697,038**	782,519
EQUITY			
Equity attributable to owners of the company			
Share capital		**48,576**	48,576
Reserves		**648,462**	733,943
TOTAL EQUITY		**697,038**	782,519

NOTES TO THE FINANCIAL STATEMENTS:

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for current accounting period of the group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the group. Of these, the following developments are relevant to the group's financial statements:

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers and the related amendments
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration

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

HKFRS 9 Financial instruments

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The group has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on accumulated losses and exchange fluctuation reserve at 1 April 2018.

	HK$'000
Accumulated losses	
Recognition of additional expected credit losses on:	
– loan receivables	6,108
Net increase in accumulated losses at 1 April 2018	6,108
Exchange fluctuation reserve	
Impact on initial application of HKFRS 9	(70)
Net decrease in exchange fluctuation reserve at 1 April 2018	(70)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

At the date of initial application of HKFRS 9 (1 April 2018), the company's management has assessed which business models apply to the financial assets held by the group and has classified its financial assets and liabilities into the appropriate HKFRS 9 categories.

The application of HKFRS 9 does not affect the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 and have not been changed.

The following table shows the original measurement categories for each class of the group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 March 2018	**Reclassification**	**HKFRS 9 carrying amount at 1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*
Available-for-sale investments ("AFS")			
– Unlisted investments fund *(Note)*	48,144	(48,144)	–
– Financial product *(Note)*	13,745	(13,745)	–
	61,889	(61,889)	–
Financial assets at fair value through profit or loss			
– Unlisted investments fund *(Note)*	–	48,144	48,144
– Financial product *(Note)*	–	13,745	13,745
– Trading securities	53,011	–	53,011
	53,011	61,889	114,900

Note: The unlisted investments fund and financial product of the group with fair value of HK$48,144,000 and HK$13,745,000 respectively at 1 April 2018 were reclassified from AFS to financial assets at FVTPL, as they do not meet the HKFRS 9 criteria for classification at amortised cost and FVTOCI.

b. Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loan receivables);

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 March 2018 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 April 2018.

	HKAS 39 carrying amount at 31 March 2018 *HK$'000*	Additional credit loss recognised *HK$'000*	HKFRS 9 carrying amount at 1 April 2018 *HK$'000*
Loan receivables	259,378	(6,178)	253,200
Accumulated losses	1,519,750	6,108	1,525,858
Exchange fluctuation reserve	(36,665)	70	(36,595)

c. ***Transition***

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained profits and reserves as at 1 April 2018. Accordingly, the information presented for 2018 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

– The following assessments have been made on the basis of the facts and circumstances that existed at 1 April 2018 (the date of initial application of HKFRS 9 by the group):

  – the determination of the business model within which a financial asset is held; and

  – the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

a. Timing of revenue recognition

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

b. Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

Previously, the group only applied such a policy when payments were significantly deferred, which was not common in the group's arrangements with its customers. The group did not apply such a policy when payments were received in advance.

c. Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the group has an unconditional right to consideration. If the group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

To reflect these changes in presentation, the group has made the following adjustments at 1 April 2018, as a result of the adoption of HKFRS 15:

	At 31 March 2018 *HK$'000*	Impact on initial application of HKFRS 15 *HK$'000*	At 1 April 2018 *HK$'000*
Trade and other payables			
– Receipt in advance	1,323	(1,323)	–
– Contract liabilities	–	1,323	1,323

There is no significant impact on the group's financial position and financial results upon initial application at 1 April 2018. Comparative information continues to be reported under HKAS 18.

HK(IFRIC) – Int 22 Foreign currency transactions and advance consideration

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) – Int 22 does not have any material impact on the financial position and the financial result of the group.

3. REVENUE AND OTHER INCOME

a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2019 ***HK$'000***	2018 *HK$'000* *(Note)*
Revenue from contracts with customers within the scope of HKFRS 15		
Rental income from investment properties	**9,724**	8,511
Loan interest income	**38,612**	42,688
Investment management fee income	**–**	30
Commission and fees income on dealing in securities	**454**	1,486
Placing and underwriting commission	**702**	–
Interest income from margin and initial public offer financing	**2,112**	9,045
	51,604	61,760

Note: The group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18.

Revenue from the above enterprises are recognised at point in time.

	2019	2018
	HK$'000	*HK$'000*

b) Other income

	2019 *HK$'000*	2018 *HK$'000*
Interest income on bank deposits	**199**	110
Interest income on financial products	**202**	–
Total interest income on financial assets	**401**	110
Dividend income	**68**	38
Reversal of loss allowance of accounts receivable	**16,964**	–
Recovery of bad debt written off	**1,122**	–
Sundry income	**341**	350
	18,896	498

4. OTHER EXPENSES

	2019	2018
	HK$'000	*HK$'000*
Loss allowance for trade receivables	**2,139**	–
Loss on dealing of financial assets at fair value through profit or loss	**14,427**	136,190
Allowance of expected credit loss on loan receivables	**7,136**	–
Loss allowance for accounts receivable from the business of dealing in securities	**–**	16,964
Impairment loss of goodwill	**2,198**	–
Impairment loss of intangible assets	**2,838**	–
	28,738	153,154

5. INCOME TAX (CREDIT)/EXPENSES

Income tax recognised in profit or loss represents:

	2019	2018
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**970**	1,387
Deferred tax		
Origination and reversal of temporary differences	**(6,160)**	946
Income tax (credit)/expenses	**(5,190)**	2,333

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment)(No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For year ended 31 March 2019, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5% (2018: 16.5%).

The provision for PRC Enterprise Income Tax ("EIT") is calculated at 25% (2018: 25%) of the estimated assessable profits for the year. No provision for EIT was provided for as the company's subsidiaries operating in the People's Republic of China incurred losses for the years ended 31 March 2019 and 2018.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the company of HK$62,354,000 (2018: HK$569,456,000) and on the weighted average number of 4,857,582,000 ordinary shares in issue during the year (2018: 4,857,582,000 ordinary shares).

Weighted average number of ordinary shares:

	2019	2018
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,857,582**	4,857,582
Effect of deemed issue of shares under the company's share option scheme for nil consideration	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share *(note)*	**4,857,582**	4,857,582

Note: The potential ordinary shares arising from the assumed conversion of the share options are anti-dilutive at the loss level for the year ended 31 March 2019 and 31 March 2018 and so, have been treated as anti-dilutive for the purpose of calculating diluted loss per share.

Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding share options had an anti-dilutive effect on the basic loss per share for the year ended 31 March 2019 and 31 March 2018.

7. TRADE AND OTHER RECEIVABLES

a) Ageing analysis

(i) Trade receivable

Trade receivables are net of loss allowance of HK$8,149,000 (2018: HK$6,422,000) with the following ageing analysis presented based on invoice dates:

	2019	2018
	HK$'000	*HK$'000*
Within 1 month	**–**	32
1 to 3 months	**1,926**	284
3 to 6 months	**905**	1,499
Over 6 months	**6,740**	6,462
	9,571	8,277

(ii) Accounts receivable from the business of dealing in securities

Accounts receivable from the business of dealing in securities are net of loss allowance of HK$Nil (2018: HK$16,964,000) with the following ageing analysis presented based on invoice dates:

	2019	2018
	HK$'000	*HK$'000*
Within 1 month	**451**	40
1 to 3 months	**–**	11,796
Over 6 months	**–**	65,047
	451	76,883

(iii) ***Interest receivables***

No loss allowance had been made for interest receivables and the ageing analysis is presented based on invoice dates as follows:

	2019	2018
	HK$'000	*HK$'000*
Within 1 month	**8,165**	5,045
1 to 3 months	**3,142**	4,438
3 to 6 months	**–**	306
	11,307	9,789

8. TRADE AND OTHER PAYABLES

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

	2019	2018
	HK$'000	*HK$'000*
Within 1 month	**5,047**	8,238

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2019 (2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the group's turnover for the continuing operation was approximately HKD51.60 million (2018: approximately HKD61.76 million), representing a decrease of approximately 16.45% compared with last year. The decrease in turnover was mainly due to decrease in loan interest income from the money lending business and income from the financial services business.

The audited net loss for the year was approximately HKD62.35 million (2018: approximately HKD569.46 million) and the basic loss per share was HK1.28 cents (2018: HK11.72 cents). The decrease in the net loss was mainly attributable to decrease in loss on dealing of financial assets at fair value through profit or loss and decrease in impairment loss on the available-for-sale investments of the group of the year ended 31 March 2019 as compared to those for the last year.

The administrative and selling expenses of the group for the year amounted to approximately HKD82.07 million (2018: approximately HKD102.41 million). The finance cost of the group amounted to approximately HKD4.04 million (2018: approximately HKD3.03 million) which was incurred for the interest-bearing borrowings under the security of investment properties in Shanghai and the unconvertible bonds issued by the company.

Business Review

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

For the properties investment, as at 31 March 2019, 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 financial services, the wholly owned subsidiaries of the company, namely C.P. Securities International Limited, which is a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance ("SFO") and C.P. Financial Management Limited, which is licensed under the SFO to carry on Type 9 (asset management) regulated activity, have engaged in financial services business of the group, 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 year ended 31 March 2019, a segment revenue of approximately HKD3.27 million were recorded.

The money lending business made a slight decrease during the year. For the year ended 31 March 2019, the group had a gross loan portfolio amounted to approximately HK$406.65 million with the average interest rate of 10.77%. The interest income generated from the money lending business was approximately HK$38.61 million for the year ended 31 March 2019, representing a decrease of approximately 9.56% in comparison with last year.

Outlook

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

Liquidity and Financial Resources

As at 31 March 2019, the group's net current assets were approximately HKD185.57 million (2018: approximately HKD469.74 million), including cash and bank balances of approximately HKD47.38 million (2018: approximately HKD77.71 million).

The group had borrowings of approximately HKD67.24 million as at 31 March 2019 (2018: approximately HKD38.11 million), of which 7.82%, 7.82%, 44.36%, 40.00% were due within 1 year, after 1 year but within 2 years, after 2 years but within 5 years, after 5 years respectively from balance sheet date. The gearing ratio, defined as the percentage of total debts to the total equity of the company, was approximately 12.52% (2018: 7.43%).

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.

Capital Structure

There was no change in the capital structure of the company for the year ended 31 March 2019.

Contingent Liabilities

As at 31 March 2019, the group did not have any material contingent liability (2018: Nil).

Acquisition and Disposal of Subsidiaries and Associated Companies

There was no acquisition or disposal of subsidiaries or associated companies of the group for the year ended 31 March 2019.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the company, nor any of its subsidiaries purchased, redeemed or sold any of the company's listed securities during the year ended 31 March 2019.

CORPORATE GOVERNANCE

In view of the corporate governance practices, the company has adopted a set of clear guidelines to explain its policies, practices and procedures which aim at meeting our shareholders' expectations. The company has committed to maintain a high standard of corporate governance based on the principles of the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The company recognizes the maintenance of good corporate governance practices is essential to the growth of the company. In the opinion of the directors, the company had complied with the CG Code throughout the year ended 31 March 2019 except for the code provisions A.2.1 and E.1.2. Details of the deviation are set out in the relevant section below.

Code 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. Mr. Han Wei, the chairman of the company, also acted as chief executive officer of the company during the year 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 make and implement decisions promptly and efficiently.

The code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman was unable to attend the company's annual general meeting held on 6 September 2018 due to his other work commitments.

AUDIT COMMITTEE

The company has established an audit committee ("Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive directors of the company. The annual results of the group for the year ended 31 March 2019 was reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the preliminary announcement of the group's results for the year ended 31 March 2019 have been agreed by the group's auditors, Crowe (HK) CPA Limited to the amounts set out in the group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

DIRECTORS' SECURITIES TRANSACTION

The company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors, all directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 March 2019.

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

The company's annual report for the year ended 31 March 2019 containing all applicable information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the company and published on the Stock Exchange's website and on the company's website in due course.

By order of the board
China Properties Investment Holdings Limited
Han Wei
Chairman

Hong Kong, 27 June 2019

As at the date of this announcement, the executive Directors are 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.