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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024**

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 2024 together with the audited comparative figures for the previous year as follows:

\* For identification purposes only

## RESULTS

The Board announces the consolidated annual results of the Group for the year ended 31 March 2024 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Revenue	4	<b>66,393</b>	68,255
Fair value changes on investment properties		<b>(7,868)</b>	(51,950)
Loss on deemed disposal of investment property upon termination of lease	7	<b>(57,054)</b>	–
Unrealised (loss)/gain on trading securities		<b>(22,544)</b>	2,039
Allowance of expected credit loss on loan and interest receivables from money lending business, trade receivables and other receivables, net	7	<b>(38,027)</b>	(54,244)
Other income	4(a)	<b>534</b>	4
Other gains and losses, net	4(b)	<b>(39,068)</b>	114
Administrative expenses		<u><b>(25,652)</b></u>	<u>(16,923)</u>
<b>Loss from operations</b>		<b>(123,286)</b>	(52,705)
Finance costs	5	<u><b>(7,529)</b></u>	<u>(9,050)</u>
<b>Loss before taxation</b>	7	<b>(130,815)</b>	(61,755)
Income tax credit	6	<u>–</u>	<u>4,575</u>
<b>Loss for the year</b>		<u><b>(130,815)</b></u>	<u>(57,180)</u>

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Attributable to:</b>			
Owners of the Company		<u>(130,815)</u>	<u>(57,180)</u>
<b>LOSS PER SHARE</b>			
	9		
Basic (HK Cents)		(49.0)	(21.4)
Diluted (HK Cents)		<u>(49.0)</u>	<u>(21.4)</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Loss for the year</b>	(130,815)	(57,180)
<b>Other comprehensive income</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	(13,219)	(23,751)
<b>Total comprehensive income for the year</b>	<u>(144,034)</u>	<u>(80,931)</u>
<b>Attributable to:</b>		
Owners of the Company	<u>(144,034)</u>	<u>(80,931)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		1,954	2,238
Right-of-use assets		2,389	2,965
Investment properties		177,063	277,160
Loan receivables	<i>11</i>	108,527	142,301
		<u>289,933</u>	<u>424,664</u>
<b>Current assets</b>			
Trade and other receivables	<i>10</i>	73,227	62,805
Loan receivables	<i>11</i>	326,926	333,002
Financial assets at fair value through profit or loss		23,206	47,092
Cash and bank balances		651	971
		<u>424,010</u>	<u>443,870</u>
<b>Current liabilities</b>			
Other payables	<i>12</i>	92,276	75,694
Other borrowings		9,520	1,820
Interest-bearing bank borrowings		4,227	4,000
Lease liabilities		3,841	6,432
Unconvertible bonds		420	2,800
Tax payable		8,234	8,263
		<u>118,518</u>	<u>99,009</u>
<b>Net current assets</b>		<u>305,492</u>	344,861
<b>Total assets less current liabilities</b>		<u>595,425</u>	769,525
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings		74,245	82,739
Deferred tax liabilities		–	–
Lease liabilities		9,119	30,691
		<u>83,364</u>	113,430
<b>NET ASSETS</b>		<u>512,061</u>	<u>656,095</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		106,867	106,867
Reserves		405,194	549,228
<b>TOTAL EQUITY</b>		<u>512,061</u>	<u>656,095</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. STATEMENT OF COMPLIANCE

These consolidated 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 (“**HKFRS**”), 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 consolidated 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. Significant accounting policies adopted by the Group are disclosed below.

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 consolidated financial statements.

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

#### (a) NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## (b) NEW AND AMENDMENTS TO HKFRSs ISSUED BUT NOT YET EFFECTIVE

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2023. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 - Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 3. SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in these financial statements, 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, which is the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and performance assessment.

The CODM considers the business from product perspectives. The Group has presented the following two reportable segments. These segments are managed separately. The properties investment segment and money lending service segment offer very different products and services.

**PROPERTIES INVESTMENT:** The properties investment reportable operating segment derives its revenue primarily from leasing of investment properties.

**MONEY LENDING BUSINESS:** The money lending business reportable segment derives its revenue primarily from lending out loans and receive interest.

No reportable operating segment has been aggregated.

**a) Segment results, assets and liabilities**

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

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs such as directors' salaries, unallocated finance costs, corporate income, depreciation, interest income, fair value change of trading securities and valuation gain of property under development. 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 consolidated statement of profit or loss.

All assets are allocated to reportable segments other than financial assets at fair value through profit or loss, property under development and corporate assets. All liabilities are allocated to reportable segments other than deferred tax liabilities, tax payables, 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 years ended 31 March 2024 and 2023 is set out below.

	2024			2023		
	Properties investment <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>	Properties investment <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>19,739</u>	<u>46,654</u>	<u>66,393</u>	<u>24,779</u>	<u>43,476</u>	<u>68,255</u>
Reportable segment revenue	<u>19,739</u>	<u>46,654</u>	<u>66,393</u>	<u>24,779</u>	<u>43,476</u>	<u>68,255</u>
Reportable segment loss before taxation, including:	(62,067)	(45,802)	(107,869)	(41,553)	(1,394)	(42,947)
Interest income on						
– Bank deposits	1	–	1	4	–	4
Depreciation and amortisation						
– Property, plant and equipment	(196)	–	(196)	(208)	–	(208)
– Right-of-use assets	(2,379)	–	(2,379)	(1,338)	–	(1,338)
Valuation loss on investment properties	(7,868)	–	(7,868)	(51,950)	–	(51,950)
Allowance of expected credit loss on loan and interest receivables and trade receivables	–	(38,027)	(38,027)	–	(54,244)	(54,244)
Finance costs	(7,529)	–	(7,529)	(8,731)	–	(8,731)
Reportable segment assets	<u>230,193</u>	<u>435,455</u>	<u>665,648</u>	<u>340,524</u>	<u>474,982</u>	<u>815,506</u>
Additions to non-current assets during the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,005</u>	<u>–</u>	<u>1,005</u>
Reportable segment liabilities	<u>145,839</u>	<u>8,164</u>	<u>154,004</u>	<u>186,341</u>	<u>102</u>	<u>186,443</u>

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(i) Revenue</b>		
Total reportable segment revenue	<u>66,393</u>	<u>68,255</u>
Consolidated revenue	<u><u>66,393</u></u>	<u><u>68,255</u></u>
<b>(ii) Loss</b>		
Total reportable segments' loss	<b>(107,869)</b>	(42,947)
Unallocated corporate income	<b>532</b>	–
Depreciation	–	(1,277)
Unallocated finance costs	–	(319)
Unallocated corporate expenses	<u>(23,478)</u>	<u>(17,212)</u>
Consolidated loss before taxation	<u><u>(130,815)</u></u>	<u><u>(61,755)</u></u>

#### 4. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES, NET

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Rental income from investment properties	19,739	24,779
Loan interest income	<u>46,654</u>	<u>43,476</u>
	<u><u>66,393</u></u>	<u><u>68,255</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>a) Other income</b>		
Interest income on bank deposits	1	4
Sundry income	<u>533</u>	<u>—</u>
	<u><u>534</u></u>	<u><u>4</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>b) Other gains and losses</b>		
Loss on early termination of lease	—	(366)
Net foreign exchange (loss)/gain	<u>(39,068)</u>	<u>480</u>
	<u><u>(39,068)</u></u>	<u><u>114</u></u>

## 5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expense on bank borrowings	5,988	6,664
Interest expense on other borrowings	709	39
Interest expense on unconvertible bonds	–	281
Interest expense on lease liabilities	<u>832</u>	<u>2,066</u>
	<u><u>7,529</u></u>	<u><u>9,050</u></u>

## 6. INCOME TAX CREDIT

Income tax credit of recognised in profit or loss represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current tax	–	4,410
Over-provision for the prior year	–	–
Deferred tax		
Origination and reversal of temporary differences	<u>–</u>	<u>(8,985)</u>
Income tax credit	<u><u>–</u></u>	<u><u>(4,575)</u></u>

For years ended 31 March 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation established in Hong Kong and the remaining corporations are calculated at a flat rate of 16.5%.

The provision for PRC Enterprise Income Tax (“EIT”) is calculated at 25% (2023: 25%) of the estimated assessable profits for the year. No provision for EIT was provided for as the Company’s subsidiaries operating in PRC incurred losses for the years ended 31 March 2024 and 2023.

## 7. LOSS BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	7,238	7,096
Contribution to defined contribution retirement plans	<u>326</u>	<u>227</u>
	<u><b>7,564</b></u>	<u><b>7,323</b></u>
<b>Other items</b>		
Auditor's remuneration		
– audit services	942	942
– other services	150	150
Depreciation on property, plant and equipment	196	1,485
Depreciation on right-of-use assets	2,379	1,338
Gross rental income from investment properties	(21,032)	(27,411)
Allowance of expected credit loss on loan and interest receivables from money lending business, net	38,027	54,244
Variable lease payments not included in the measurement of lease liabilities	720	720
Loss on deemed disposal of investment property upon termination of lease	<u><b>57,054</b></u>	<u><b>–</b></u>

## 8. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2024 (2023: nil).

## 9. LOSS PER SHARE

### From continuing operations

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK\$130,815,000 (2023: HK\$57,180,000) and the weighted average number of 267,167,000 ordinary shares in issue during the year (2023: 267,167,000 ordinary shares).

### Diluted loss per share

No diluted loss per share has been presented as the Group had no potential dilutive ordinary shares outstanding for both years.

## 10. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<b>30,418</b>	32,175
Less: loss allowance	<b>(543)</b>	(11,597)
	<hr/>	<hr/>
Trade receivables (net)	<b>29,875</b>	20,578
	<hr/>	<hr/>
Deferred rental receivables	<b>33,091</b>	16,051
Less: loss allowance	<b>(9,677)</b>	–
	<hr/>	<hr/>
Deferred rental receivables (net)	<b>23,414</b>	16,051
	<hr/>	<hr/>
Interest receivables from money lending business	<b>2,767</b>	2,096
Less: loss allowance	<b>(1,315)</b>	(1,315)
	<hr/>	<hr/>
Interest receivables (net)	<b>1,452</b>	781
	<hr/>	<hr/>
Other loan and interest receivables (note b)	–	45,138
Less: loss allowance	–	(45,138)
	<hr/>	<hr/>
	<hr/>	<hr/>
Other receivables (note c)	<b>11,164</b>	17,333
	<hr/>	<hr/>
Financial assets at amortised cost	<b>65,905</b>	54,743
Prepayments and deposits	<b>7,322</b>	8,062
	<hr/>	<hr/>
	<b>73,227</b>	<b>62,805</b>
	<hr/>	<hr/>
Current portion	<b>73,227</b>	62,805
Non-current portion	–	–
	<hr/>	<hr/>
	<b>73,227</b>	<b>62,805</b>
	<hr/>	<hr/>

Notes:

- a) All of the trade and other receivables are expected to be recovered or recognised as expense within one year.
- b) On 27 July 2011, the Company entered into a participation deed with Simsen Capital Finance Limited (“**Simsen**”) and a sub-participation agreement with Power Alliance International Limited respectively in relation to the participation of an 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 participation loans 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 participation loans had been drawn down by the Borrower on 7 June 2011, and the repayment date of the participation loans was 6 September 2011. On 7 September 2011, both parties agreed to extend the participation loans 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 net proceeds of 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.

- c) The balance mainly represents other tax recoverable and cash advanced to staff.

## Ageing analysis

### (i) *Trade receivable*

Trade receivables represent rental income receivables. Rental income receivables are payable by tenants/residents upon receipts of billings within an average credit term of 0-30 days.

Trade receivables are net of loss allowance of HK\$543,000 (2023: HK\$11,597,000) with the following ageing analysis presented based on invoice dates:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	–	5,386
1 to 3 months	–	7,692
3 to 6 months	–	4,864
Over 6 months	<u>29,875</u>	<u>2,636</u>
	<u><b>29,875</b></u>	<u>20,578</u>

### (ii) *Interest receivables*

The ageing analysis of interest receivables is presented based on invoice dates as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	<b>8</b>	561
1 to 3 months	<b>1,444</b>	220
3 to 6 months	–	–
6 to 12 months	<u>–</u>	<u>–</u>
	<u><b>1,452</b></u>	<u>781</u>

Interest receivables are due immediately from the date of billing.



## 11. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loan receivables		
– Secured loans	331,811	498,534
– Unsecured loans	<u>314,427</u>	<u>148,400</u>
	<u>646,238</u>	<u>646,934</u>
Less: Allowance for secured and unsecured loan receivables	<u>(210,785)</u>	<u>(171,631)</u>
	<u>435,453</u>	<u>475,303</u>
Amount due within one year included under current assets	326,926	333,002
Amount due after one year included under non-current assets	<u>108,527</u>	<u>142,301</u>
	<u>435,453</u>	<u>475,303</u>

### Loan receivables

The loans to customers had a loan period ranging from 12 to 60 months (2023: 12 to 60 months). The loans provided to customers bore fixed interest rate ranging from 10% to 15% per annum (2023: 10% to 18% per annum) and were repayable according to the loan agreements.

Included in the secured loan balances are loans of approximately HK\$326,811,000 (2023: HK\$493,534,000) secured by unlisted shares, loans of approximately HK\$5,000,000 (2023: HK\$5,000,000) secured by real estate in Hong Kong.

The fair values of the collaterials, as assessed by the management at respective loans' inception date are not less than the principal amount of the relevant loans.

### Ageing analysis

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	131,372	148,815
91 to 180 days	72,929	17,256
181 to 365 days	32,357	166,931
Over 365 days	<u>198,195</u>	<u>142,301</u>
	<u>435,453</u>	<u>475,303</u>

The above ageing analysis is presented based on the maturity date, net of allowance.

The Group's financing advances to customers included in the loan receivables are due as of the due date specified in respective loan agreements.

## 12. OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other payables and accruals	77,796	68,644
Amount due to a director	<u>9,520</u>	<u>1,820</u>
Financial liabilities measured at amortised cost	87,316	70,464
Rental deposit received	<u>4,960</u>	<u>5,230</u>
	<u><u>92,276</u></u>	<u><u>75,694</u></u>

## **DIVIDEND**

The Directors do not recommend payment of any dividends in respect of the year ended 31 March 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operating Results**

For the year under review, the Group's turnover for the continuing operation was approximately HK\$66.39 million (2023: approximately HK\$68.26 million), representing a decrease of approximately 2.7% compared with last year. The decrease in turnover was mainly due to government acquire a land encompassing the area where one of the Group's investment property is situated which result in decrease in the rental income.

The audited net loss for the year was approximately HK\$130.82 million (2023: net loss of approximately HK\$57.18 million) and the basic loss per share from continuing operations was HK49 cents (2023: basic loss per share was HK21.40 cents).

The loss of the Group was mainly attributable to expected credit loss on loan and interest receivables from money lending business, trade and other receivables and valuation loss on investment properties amounted HK\$38.03 million and HK\$7.87 million respectively. The land acquired by government result in one-off loss of HK\$57.05 million.

The administrative expenses of the Group for the year amounted to approximately HK\$25.65 million (2023: approximately HK\$16.92 million), representing an increase of approximately 34% compared with last year, which was resulted from commercial activities back to normal at early 2023. The finance cost of the Group amounted to approximately HK\$7.5 million (2023: approximately HK\$9.05 million) which was mainly incurred for the interest-bearing borrowings under the security of investment properties in Shanghai and interest expense on lease liabilities.

### **Business Review**

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

For the properties investment, as at 31 March 2024, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, 100% of which was leased to third parties under operating leases with lease terms ranging up to twelve years. For the year ended 31 March 2024, approximately 2,819 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging up to six years.

For the year ended 31 March 2024, the rental incomes of approximately HK\$19.74 million were recorded.

The money lending business generated steady interest income during the year. For the year ended 31 March 2024, the Group had a gross loan portfolio amounted to approximately HK\$646.24 million with the average interest rate of 11.20%. The interest income generated from the money lending business was approximately HK\$46.65 million for the year ended 31 March 2024.

## **Outlook**

Going forward, the Group will keep on expanding the properties investment business so as to enhance the rental incomes of the Group. In the meantime, the Group will remain focused on its money lending business which will generate steady revenue stream for the Group.

## **Liquidity And Financial Resources**

As at 31 March 2024, the Group's net current assets were approximately HK\$305.49 million (2023: approximately HK\$344.86 million), including cash and bank balances of approximately HK\$0.65 million (2023: approximately HK\$0.97 million).

The Group had bank borrowings of approximately HK\$78.47 million as at 31 March 2024 (2023: approximately HK\$86.74 million), of which 5.39%, 6.08%, 24.86%, 63.67% 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 15.32% (2023: 13.22%).

## **Significant Investments**

Investment with fair value accounting for more than 5% of the Group's total assets shall be considered as significant investment. The Company did not have significant investment as at 31 March 2024.

## **Foreign Exchange Exposure**

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

## **Capital Structure And Share Capitals**

There was no change in capital structure of the Company for the year ended 31 March 2024.

## **Charges On Group's Assets**

As at 31 March 2024, the Group's investment properties with a value of approximately HK\$154.00 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 31 March 2024, the Group did not have any material contingent liability (2023: 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 2024.

## **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 2024.

## **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 2024 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 conducive 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 16 October 2023 due to his other work commitments.

## **AUDIT COMMITTEE**

The Company has established an 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 2024 Audited Annual Results 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 2024 have been agreed by the Group's auditors, Jon Gepsom CPA Limited (formerly known as McM (HK) CPA Limited) to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Jon Gepsom 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 Jon Gepsom 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 2024.

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

The Company's annual report for the year ended 31 March 2024 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, 28 June 2024

*As at the date of this announcement, the executive Directors are Mr. Han Wei, Mr. Au Tat On and Mr. Wang Linbo and the independent non-executive Directors are Mr. Tang Yiu Kay, Ms. Cao Jie Min and Mr. Liang Kuo-Chieh.*