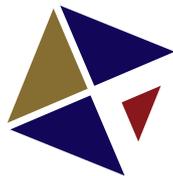


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

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 2022; AND RESUMPTION OF TRADING

Reference is made to (i) the announcements made by China Properties Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 June 2022 in relation to, among others, delay in publication of audited annual results; (ii) the announcement dated 30 June 2022 in relation to, among others, non-publication of 2022 unaudited annual results and postponement of board meeting; (iii) the announcement dated 29 July 2022 in relation to further delay in publication of 2022 annual results, delay in dispatch of 2022 annual report and postponement of board meeting; (iv) the announcement dated 31 August 2022 in relation to the further delay in publication of 2022 annual results and dispatch of 2022 annual report and further postponement of board meeting; and (v) the announcement dated 2 September 2022 in relation to, among others, date of board meeting (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

* *For identification purposes only*

RESULTS

The Board announces the consolidated annual results of the Group for the year ended 31 March 2022 as follows:

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022

	<i>Note</i>	2022 <i>HK\$000</i>	2021 <i>HK\$000</i>
Revenue	4(a)	86,370	71,284
Valuation (loss)/gain on investment properties		(22,597)	24,338
Realised loss on unlisted investments fund		–	(180)
Valuation gain on property under development		6,252	–
Unrealised gain on trading securities		7,112	3,237
Allowance of expected credit loss on loan and interest receivables from money lending business, trade receivables and other receivables, net		(46,083)	(46,099)
Other income	4(b)	6,726	3,413
Other gains and losses	4(c)	17,137	32,275
Administrative expenses		<u>(26,862)</u>	<u>(28,501)</u>
Profit from operations		28,055	59,767
Finance costs	5	<u>(10,862)</u>	<u>(10,784)</u>
Profit before taxation from continuing operations	8	17,193	48,983
Income tax	6	<u>(4,139)</u>	<u>(12,588)</u>
Profit for the year from continuing operations		13,054	36,395
Loss from discontinued operations	7	<u>(16)</u>	<u>(226)</u>
Profit for the year		<u>13,038</u>	<u>36,169</u>

	<i>Note</i>	2022 <i>HK\$000</i>	2021 <i>HK\$000</i>
Attributable to:			
Owners of the Company		13,038	36,169
EARNINGS PER SHARE	<i>10</i>		
From continuing and discontinued operations			(restated)
Basic (HK Cents)		HK7.18 cents	HK26.93 cents
Diluted (HK Cents)		<u>HK7.18 cents</u>	<u>HK26.93 cents</u>
From continuing operations			(restated)
Basic (HK Cents)		HK7.19 cents	HK27.10 cents
Diluted (HK Cents)		<u>HK7.19 cents</u>	<u>HK27.10 cents</u>

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2022

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	13,038	36,169
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	7,639	15,089
Total comprehensive income for the year	20,677	51,258
Attributable to:		
Owners of the Company	20,677	51,258

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	<i>Note</i>	2022 <i>HK\$000</i>	2021 <i>HK\$000</i>
Non-current assets			
Property, plant and equipment		2,603	3,135
Right-of-use assets		5,163	4,980
Investment properties		326,353	320,041
Trade and other receivables	<i>11</i>	29,805	–
Intangible assets		–	–
Goodwill		–	–
Loan receivables	<i>12</i>	81,068	310,545
		<u>444,992</u>	<u>638,701</u>
Current assets			
Property under development		28,863	22,011
Trade and other receivables	<i>11</i>	66,671	42,715
Loan receivables	<i>12</i>	381,572	121,899
Financial assets at fair value through profit or loss		42,554	35,442
Cash and bank balances		16,466	11,757
		<u>536,126</u>	<u>233,824</u>
Current liabilities			
Trade and other payables	<i>13</i>	60,802	41,051
Other borrowings		8,500	–
Interest-bearing bank borrowings		4,447	5,933
Lease liabilities		7,548	4,545
Unconvertible bonds		10,000	8,750
Tax payable		9,787	6,106
		<u>101,084</u>	<u>66,385</u>
Net current assets		<u>435,042</u>	<u>167,439</u>
Total assets less current liabilities		<u>880,034</u>	<u>806,140</u>
Non-current liabilities			
Interest-bearing bank borrowings		93,752	94,920
Deferred tax liabilities		9,696	14,840
Lease liabilities		39,560	30,188
Unconvertible bonds		–	10,000
		<u>143,008</u>	<u>149,948</u>
NET ASSETS		<u>737,026</u>	<u>656,192</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		106,867	53,433
Reserves		630,159	602,759
TOTAL EQUITY		<u>737,026</u>	<u>656,192</u>

NOTES TO THE AUDITED 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.

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 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16
HKFRS 16

Interest Rate Benchmark Reform – Phrase 2

COVID-19-Related Rent Concessions beyond
30 June 2021

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 2021. These new and revised HKFRSs include the following which may be relevant to the Group.

Amendments to HKFRS 3 Business Combination – Reference to the Conceptual Framework	Effective for accounting periods beginning on or after 1 January 2022
Amendments to HKAS 16 Property Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to HKFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The directors of the Company anticipate that, the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

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 three reportable segments. These segments are managed separately. The properties investment segment, money lending service segment and financial services segment offer very different products and services.

Financial services segment was discontinued in the current year. The segment information reported on the next pages do not include any amounts for this discontinued operation.

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 and fair value change of trading securities and unlisted investments fund. 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 2022 and 2021 is set out below.

	2022			2021		
	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>25,112</u>	<u>61,258</u>	<u>86,370</u>	<u>19,016</u>	<u>52,268</u>	<u>71,284</u>
Reportable segment revenue	<u>25,112</u>	<u>61,258</u>	<u>86,370</u>	<u>19,016</u>	<u>52,268</u>	<u>71,284</u>
Reportable segment profit before taxation	22,226	17,051	39,277	21,971	30,718	52,689
Interest income on						
– Bank deposits	11	–	11	20	–	20
Depreciation and amortisation						
– Property, plant and equipment	(633)	–	(633)	(1,558)	–	(1,558)
– Right-of-use assets	(1,273)	–	(1,273)	(1,376)	–	(1,376)
Valuation (loss)/gain on investment properties	(22,597)	–	(22,597)	24,338	–	24,338
Allowance of expected credit loss on loan and interest receivables	–	(43,465)	(43,465)	–	(33,799)	(33,799)
Finance costs	(9,523)	–	(9,523)	(9,540)	–	(9,540)
Reportable segment assets	<u>387,104</u>	<u>481,238</u>	<u>868,342</u>	<u>364,560</u>	<u>446,323</u>	<u>810,883</u>
Additions to non-current assets during the year	<u>15,901</u>	<u>–</u>	<u>15,901</u>	<u>68,204</u>	<u>–</u>	<u>68,204</u>
Reportable segment liabilities	<u>185,202</u>	<u>139</u>	<u>185,341</u>	<u>173,648</u>	<u>–</u>	<u>173,648</u>

b) Reconciliations of reportable segment revenues and profit or loss:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(i) Revenue		
Total reportable segment revenue	<u>86,370</u>	<u>71,284</u>
Consolidated revenue	<u><u>86,370</u></u>	<u><u>71,284</u></u>
(ii) Profit		
Total reportable segments' profit	39,277	52,689
Unallocated corporate income	6,677	3,349
Depreciation	(1,275)	(1,563)
Unallocated finance costs	(1,339)	(1,244)
Unallocated corporate expenses	<u>(26,147)</u>	<u>(4,248)</u>
Consolidated profit before taxation (from continuing operations)	<u><u>17,193</u></u>	<u><u>48,983</u></u>

4. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES

(a) Revenue

An analysis of revenue is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from sources other than HKFRS 15:		
Rental income from investment properties	25,112	19,016
Loan interest income	<u>61,258</u>	<u>52,268</u>
	<u>86,370</u>	<u>71,284</u>

(b) Other income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest income on bank deposits	<u>11</u>	<u>20</u>
Government grants (note)	–	445
Sundry income	<u>6,715</u>	<u>2,948</u>
	<u>6,726</u>	<u>3,413</u>

Note:

During the year end 31 March 2021, the Group recognised government grants of approximately HK\$445,000 in respect of COVID-19-related subsidies, all of which relates to Employment Support Scheme provided by the Hong Kong government. Government grants in respect of the COVID-19-related subsidies were recognised at the time the Group fulfilled the relevant granting criteria.

(c) Other gains and losses

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Gain on disposal of property, plant and equipment	–	1,270
Net foreign exchange gain	<u>17,137</u>	<u>31,005</u>
	<u>17,137</u>	<u>32,275</u>

5. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Finance costs		
Interest expense on bank borrowings	7,634	8,085
Interest expense on other borrowings	602	–
Interest expense on unconvertible bonds	674	1,157
Interest expense on lease liabilities	<u>1,952</u>	<u>1,542</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u><u>10,862</u></u>	<u><u>10,784</u></u>

6. INCOME TAX

Income tax of continuing operations recognised in profit or loss represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current tax	9,902	6,504
Over-provision for the prior year	(114)	–
Deferred tax		
Origination and reversal of temporary differences	<u>(5,649)</u>	<u>6,084</u>
Income tax	<u><u>4,139</u></u>	<u><u>12,588</u></u>

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 years ended 31 March 2022 and 31 March 2021, 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%.

The provision for PRC Enterprise Income Tax (“**EIT**”) is calculated at 25% (2021: 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 2022 and 2021.

7. LOSS FROM DISCONTINUED OPERATIONS

On 13 January 2020 and 25 February 2020, the Group has submitted the acknowledgement for cessation of businesses of subsidiaries, C.P. Securities International Limited and C.P. Financial Management Limited, which carried out all of the Group's financial services operations. The cessation of business was effected in order to generate cash flows for the expansion of the Group's other businesses. The cessation of businesses were still in processing as at 31 March 2022.

The loss for the years ended 31 March 2022 and 2021 from the discontinued financing operation is set out below.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	-	-
Cost of sales	<u>-</u>	<u>-</u>
Gross loss	-	-
Other income	-	162
Administrative expenses	(16)	(4,038)
Gain on disposal of property, plant and equipment	<u>-</u>	<u>3,650</u>
Loss from discontinued operation	<u>(16)</u>	<u>(226)</u>

8. PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS

The Group's profit before taxation from continuing operations is stated after charging/(crediting) the following:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	8,578	11,019
Contribution to defined contribution retirement plans	<u>667</u>	<u>442</u>
	<u>9,245</u>	<u>11,461</u>
Other items		
Auditor's remuneration (Note)		
– audit services	880	1,055
– other services	150	300
Depreciation on property, plant and equipment	633	1,558
Depreciation on right-of-use assets	2,548	2,939
Gross rental income from investment properties	(25,112)	(19,016)
Allowance of expected credit loss on loan and interest receivables from money lending business, net	43,465	33,799
Allowance of expected credit loss on trade and other receivables	2,618	12,300
Variable lease payments not included in the measurement of lease liabilities	<u>1,833</u>	<u>803</u>

Note:

Auditor's remuneration for the year ended 31 March 2021 included approximately HK\$800,000 amounting to McM (HK) CPA Limited and approximately HK\$255,000 amounting to the predecessor auditor.

9. DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2022 (2021: nil).

10. EARNINGS PER SHARE

From Continuing and discontinued operations

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$13,038,000 (2021: profit of HK\$36,169,000) and on the weighted average number of 181,616,000 ordinary shares in issue during the year (2021(restated): 134,290,000 ordinary shares).

From Continuing Operations

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$13,054,000 (2021: profit of HK\$36,395,000) and on the weighted average number of 181,616,000 ordinary shares in issue during the year (2021(restated): 134,290,000 ordinary shares).

From Discontinued Operations

Basic loss per share of the discontinued operations is HK0.01 cents per share (2021 loss: HK0.17 cents per share) and diluted loss per share for the discontinued operations is HK0.01 cents per share (2021 loss: HK0.17 cents per share), based on the loss for the year from the discontinued operations of HK\$16,000 (2021 loss: HK\$226,000) and the denominators detailed above for both basic and diluted loss per share.

Diluted earnings per share

Diluted earnings per share equals to basic earnings per share because there is no potential dilutive shares outstanding for both years.

11. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	27,901	14,352
Less: loss allowance	<u>(11,571)</u>	<u>(8,460)</u>
Trade receivables (net)	<u>16,330</u>	<u>5,892</u>
Deferred rental receivables	<u>8,171</u>	<u>8,157</u>
Interest receivables from money lending business	24,190	14,571
Less: loss allowance	<u>(6,345)</u>	<u>(3,634)</u>
Interest receivables (net)	<u>17,845</u>	<u>10,937</u>
Other loan and interest receivables (note 11(2))	45,138	45,138
Less: loss allowance	<u>(45,138)</u>	<u>(45,138)</u>
	<u>—</u>	<u>—</u>
Other receivables (note 11(3))	<u>16,420</u>	<u>10,088</u>
Financial assets at amortised cost	58,766	35,074
Prepayments and deposits	7,905	7,641
Deposit for decoration	<u>29,805</u>	<u>—</u>
	<u>96,476</u>	<u>42,715</u>
Current portion	66,671	42,715
Non-current portion	<u>29,805</u>	<u>—</u>
	<u>96,476</u>	<u>42,715</u>

Note:

- 1) All of the trade and other receivables are expected to be recovered or recognised as expense within one year.
- 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 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.

- 3) For the year ended 31 March 2022, included in the balance of gross other receivables (before impairment) amounted HK\$12,300,000 (2021: HK\$12,300,000) was arising from compulsory redemption. During the year ended 31 March 2022, impairment of HK\$12,300,000 (2021: HK\$12,300,000) was recognised in full as the balance was default and considered as credit-impaired after taking into consideration of credit quality of the debtor and legal action taken by the Company. Approximately HK\$51,000 (2021: HK\$48,000) mainly represents other tax recoverable and cash advanced to staffs.

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\$11,571,000 (2021: HK\$8,460,000) with the following ageing analysis presented based on invoice dates:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	3,930	1,153
1 to 3 months	3,281	2,823
3 to 6 months	4,588	1,575
Over 6 months	4,531	341
	<u>16,330</u>	<u>5,892</u>

(ii) Interest receivables

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	11,943	8,046
1 to 3 months	4,758	2,202
3 to 6 months	579	–
6 to 12 months	565	689
	<u>17,845</u>	<u>10,937</u>

Interest receivables are due immediately from the date of billing.

12. LOAN RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loan receivables		
– Secured loans	495,379	478,529
– Unsecured loans	<u>84,430</u>	<u>30,330</u>
	<u>579,809</u>	<u>508,859</u>
Less: Allowance for secured and unsecured loan receivables	<u>(117,169)</u>	<u>(76,415)</u>
	<u><u>462,640</u></u>	<u><u>432,444</u></u>
Amount due within one year included under current assets	381,572	121,899
Amount due after one year included under non-current assets	<u>81,068</u>	<u>310,545</u>
	<u><u>462,640</u></u>	<u><u>432,444</u></u>

a) Ageing analysis

As at the end of the reporting period, the ageing analysis of loan receivables, based on maturity date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 90 days	187,817	10,505
91 to 180 days	120,097	39,538
181 to 365 days	73,658	71,856
Over 365 days	<u>81,068</u>	<u>310,545</u>
	<u><u>462,640</u></u>	<u><u>432,444</u></u>

13. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other payables and accruals	47,485	37,402
Amount due to a director	5,495	237
Amounts due to related parties	<u>1,500</u>	<u>700</u>
Financial liabilities measured at amortised cost	54,480	38,339
Deposit received for disposal of land	1,631	–
Rental deposit received	<u>4,691</u>	<u>2,712</u>
	<u><u>60,802</u></u>	<u><u>41,051</u></u>

DIVIDEND

The Directors do not recommend payment of any dividends in respect of the year ended 31 March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the Group's turnover for the continuing operation was approximately HK\$86.37 million (2021: approximately HK\$71.20 million), representing an increase of approximately 21.31% compared with last year. The increase in turnover was mainly due to rental income generated from the leased properties and increase in loan interest income from the money lending business.

The audited net profit for the year was approximately HK\$13.04 million (2021: net profit of approximately HK\$36.17 million) and the basic earning per share from continuing and discontinued operations was HK7.18 cents (2021 (restated): basic earning per share was HK26.93 cents).

The profit of the Group was mainly attributable to foreign exchange gain on loan receivables carried at foreign currency.

The administrative expenses of the Group for the year amounted to approximately HK\$26.86 million (2021: approximately HK\$28.50 million), representing a decrease of approximately 5.75% compared with last year, which was resulted from stringent cost control of the Group. The finance cost of the Group amounted to approximately HK\$10.86 million (2021: approximately HK\$10.78 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 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 2022, 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 2022, approximately 4,759 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging from four years to eight years.

For the year ended 31 March 2022, the rental incomes of approximately HK\$25.11 million were recorded.

The money lending business generated steady interest income during the year. For the year ended 31 March 2022, the Group had a gross loan portfolio amounted to approximately HK\$579.81 million with the average interest rate of 11.39%. The interest income generated from the money lending business was approximately HK\$61.26 million for the year ended 31 March 2022.

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 2022, the Group's net current assets were approximately HK\$435.04 million (2021: approximately HK\$167.44 million), including cash and bank balances of approximately HK\$16.47 million (2021: approximately HK\$11.76 million).

The Group had bank borrowings of approximately HK\$98.20 million as at 31 March 2022 (2021: approximately HK\$100.85 million), of which 4.53%, 4.40%, 16.98%, 74.09% 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 13.32% (2021: 18.23%).

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 2022.

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 year under review, the Group did not use any financial instruments for hedging purposes.

Fund Raisings Through Issue Of Equity

On 24 November 2021, the Company issued 133,583,303 new ordinary shares under the rights issue exercise on the basis of one rights share for one existing share held at the subscription price of HK\$0.47 per rights share (“**Rights Issue**“). The net proceeds from such Rights Issue was approximately HK\$60.40 million. The intended use of net proceeds from the Rights Issue were disclosed in the circulars of the Company dated 17 September 2021.

Set out below is the breakdown of the approximate application of the net proceeds from the Rights Issue up to 31 March 2022:

	Approximate amount HK\$'000
Enhancement of the properties investment business	18,316
Renovation of existing properties	11,491
Settlement of the current debts	15,000
Working capital	<u>5,356</u>
Total proceeds used	<u><u>50,163</u></u>

Capital Structure And Share Capitals

Save as the rights issue disclosed above, there was no change in capital structure of the Company for the year ended 31 March 2022.

Charges On Group's Assets

As at 31 March 2022, the Group's investment properties with a value of approximately HK\$193.21 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 2022, the Group did not have any material contingent liability (2021: 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 2022.

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 2022.

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 2022 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 2 September 2021 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 2022 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 2022 have been agreed by the Group's auditors, McM (HK) CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McM (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 McM (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 2022.

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

The Company's annual report for the year ended 31 March 2022 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.

EVENTS AFTER THE REPORTING PERIOD

Disposal of land in Canada

On 4 April 2022, the Group have completed to disposal of land in Canada at a consideration of CA\$4,700,000 (approximately HK\$28,533,700). Please refer to the Company's announcement dated 24 December 2021 for details.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 4 July 2022 pending publication of this 2022 Annual Results. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 September 2022.

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

Hong Kong, 16 September 2022

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.