CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of China Private Equity Investment Holdings Limited ("the Company") and its subsidiaries (together "the Group"), I would like to present the interim report of the Group for the 6-month period ended 30 June 2010.

The Group's unaudited consolidated loss for the period under review amounted to US$501,000 (compared with a loss of US$294,000 for the corresponding period last year). The main reason for the increased loss was increased operating and administrative expenses following our admission to AIM in October last year. No valuation event occurred during the first six months.

During the period under review, the management of the Company devoted most of its time to nurturing its flagship investment, Fortel Technology Holdings Limited ("Fortel"), a digital media and technology services company operating primarily in China, in which the Group has a 37.1% equity interest. As the main profit contributor to the Group, Fortel has performed consistently well in past years and is on track to remain profitable in the coming fiscal year. If everything goes smoothly Fortel plans an IPO in Hong Kong in 2011.

In a bid to increase the liquidity and marketability of its ordinary shares, the Company undertook a bonus issue of 51,027,716 new ordinary shares of no par value in June 2010, representing a five-fold increase in the number of ordinary shares outstanding.

Looking ahead, the Company is planning to make its first post admission investment very soon. To tap into the booming online education market in mainland China, we have targeted a company whose principal activity is the development and distribution of online education content for elementary and high schools in China. The company already has approximately 30 million users; the size of China's population and the mounting demand for quality and instant learning materials should ensure that the rate of revenue growth remains high.

We will also keep an eye on other potential investment opportunities to improve our long-term performance, and hence the return to our shareholders.

Patrick Macdougall
Chairman of the Board

The Board hereby announces the unaudited consolidated results of the Group for the six months ended 30 June 2010, together with the comparative figures for the corresponding period in 2009, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended		Year ended
			30 June	31 December
		30 June 2010	2009	2009
		Unaudited	Unaudited	Audited
	Note	***US$'000***	*US$'000*	*US$'000*
Gross portfolio return		**-**	-	4,813
Administrative expenses		**(485)**	(319)	(2,422)
Operating (loss) / profit	*3*	**(485)**	(319)	2,391
Finance income	*4*	**73**	25	141
(Loss) / profit before taxation		**(412)**	(294)	2,532
Taxation	*5*	**-**	-	-
(Loss) / profit for the period		**(412)**	(294)	2,532
Other comprehensive expense				
Exchange difference arising on translation of foreign operations		**(89)**	-	-
Total comprehensive (loss) / income for the period		**(501)**	(294)	2,532
(Loss) / earnings per share	*7*			
Basic		**(0.65 cents)**	(0.48 cents)	4.12 cents
Diluted		**(0.65cents)**	(0.48 cents)	4.11 cents

The results above relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2010 Unaudited** ***US$'000***	As at 30 June 2009 Unaudited *US$'000*	As at 31 December 2009 Audited *US$'000*
Non-current assets				
Fixtures, fittings and equipment		**1**	2	1
Investment at fair value through profit or loss	*8*	**23,834**	19,122	23,911
Deposit		**8**	-	8
Total non-current assets		**23,843**	19,124	23,920
Currents assets				
Loans and other receivables		**1,685**	1,470	1,111
Quoted financial assets at fair value through profit or loss		**807**	-	860
Cash and cash equivalents		**785**	1	1,717
Total current assets		**3,277**	1,471	3,688
Total assets		**27,120**	20,595	27,608
Current liabilities				
Trade and other payables		**189**	1,021	176
Shareholders' loan		**9**	1	9
Total liabilities		**198**	1,022	185
Net current assets		**3,079**	449	3,503
Net assets		**26,922**	19,573	27,423
Equity and reserves				
Share capital	*9*	**24,572**	20,347	24,572
Share based payment reserves		**799**	-	799
Retained earnings/(accumulated losses)		**1,551**	(774)	2,052
Total equity and reserves attributable to owners of the parent		**26,922**	19,573	27,423

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital *US$'000*	Share based payment reserve *US$'000*	Retained earnings / (accumulated losses) *US$'000*	Total *US$'000*
Balance at 1 January 2009	20,347	-	(480)	19,867
Loss and total comprehensive expenses for the period	-	-	(294)	(294)
Balance at 30 June 2009	20,347	-	(774)	19,573
Profit and total comprehensive income for the period	-	-	2,826	2,826
Issue of shares	5,000	-	-	5,000
Issue costs	(874)	-	-	(874)
Exchange difference arising from share issue	99	-	-	99
Issue of share options	-	799	-	799
Balance at 31 December 2009	24,572	799	2,052	27,423
Exchange difference arising on translation of foreign operations			(89)	(89)
Loss for the period	-	-	(412)	(412)
Balance at 30 June 2010	24,572	799	1,551	26,922

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended		Year ended 31 December
	30 June 2010	30 June 2009	2009
	Unaudited	Unaudited	Audited
	US$'000	*US$'000*	*US$'000*
Cash flow from operating activities			
(Loss) / profit before taxation	**(412)**	(294)	2,532
Adjustments for:			
Depreciation	**-**	-	1
Finance income	**(72)**	(25)	(131)
Gain on disposal of quoted securities	**(1)**	-	(10)
Gross portfolio return	**-**	-	(4,813)
Share option costs	**-**	-	799
Decrease / (increase) in receivables	**12**	(119)	533
Increase / (decrease) in payables	**13**	545	(300)
Net cash (used in) / generated from operating activities	**(460)**	107	(1,389)
Cash flow from investing activities			
Finance income	**-**	25	131
Disposal / (purchase) of financial assets	**54**	-	(850)
Loans granted	**(2,078)**	-	(1,095)
Proceeds from repayment of loans granted	**1,562**	-	818
Net cash (used in) / generated from investing activities	**(462)**	25	(996)
Cash flows from financing activities			
Net proceeds from issue of shares	**-**	-	4,225
Repayment of loans from a shareholder	**-**	(264)	(256)
Net cash (used in) / generated from financing activities	**-**	(264)	3,969
Net (decrease) / increase in cash & cash equivalents during the period	**(922)**	(132)	1,584
Cash & cash equivalents at the beginning of the period	**1,717**	133	133
Effect of foreign exchange	**(10)**	-	-
Cash & cash equivalents at the end of the period	**785**	1	1,717

Notes to the financial information

1. CORPORATE INFORMATION

The Company is a limited company incorporated in the British Virgin Islands ("BVI") under the British Virgin Islands Business Companies Act 2004 on 18 January 2008. The address of the registered office is Romasco Place, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, BVI VG 1110. The Company was set up with an intention to position itself to be a Chinese and Asian focused AIM listed private equity investment holding group. The Company will seek to identify suitable private equity investment opportunities in China.

The Company is listed on the AIM market of the London Stock Exchange (code: CPEH).

The condensed consolidated interim financial information was approved for issue on 23rd September 2010. The condensed consolidated interim information has not been audited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with those parts of the British Virgin Islands Business Companies Act 2004 applicable to companies preparing their accounts under International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by revaluation of financial assets and financial liabilities at fair value through the income statement.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for year ended 31 December 2009.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments and interpretations ("new IFRSs") issued by the IFRIC.

IFRSs (Amendments)	Amendment to IFRSs 5 as part of Improvements to IFRSs 2008
IFRSs (Amendments)	Improvements to IFRSs 2009
IAS 27 (Revised)	Consolidated and separate financial statements
IFRS 2 (Amendment)	Group cash-settled share-based payments transactions

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective.

IFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group's financial assets.

The Directors anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. OPERATING (LOSS) / PROFIT

Operating (loss) / profit is stated after charging:

	Six months ended 30 June		Year ended 31 December
	2010	2009	2009
	US$'000	*US$'000*	*US$'000*
Depreciation	**-**	-	1
Loss on foreign exchange	**-**	14	-
Fees payable to the Company's auditor for audit of the Company	**-**	-	30

4. FINANCE INCOME

	Six months ended 30 June		Year ended 31 December
	2010	2009	2009
	US$'000	*US$'000*	*US$'000*
Interest from bank and other loans	**72**	25	55
Gain on disposal of quoted securities	**1**	-	10
Gain on foreign exchange	**-**	-	76
	73	25	141

5. TAXATION

No charge to taxation arises for the six months ended 30 June 2010, and 2009 as there were no taxable profits in either period. The Company and one of its subsidiaries, CPE TMT Holdings Limited, are both located in a tax-free jurisdiction, the British Virgin Islands, and therefore are not subject to current or deferred income tax.

No related deferred tax asset has been recognised on the losses due to the unpredictability of future profit streams. Losses may be carried forward indefinitely and may be recoverable if relevant taxable profit arises in future periods.

6. DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2010 (30 June 2009: Nil).

7. (LOSS) / EARNINGS PER SHARE

The calculation of the basic and diluted (loss) / earnings per share attributable to owners of the Group is based on the following:

		Six months ended 30 June		Year ended 31 December
		2010	2009	2009
		'000	*'000*	*'000*
Numerator				
Basic / Diluted:	Net (loss) / profit	**US$ (412)**	US$ (294)	US$ 2,532
Denominator				
Basic:	Weighted average shares	**12,757**	9,685	10,460
	Effect of bonus issue 4 June 2010	**51,028**	51,028	51,028
		63,785	60,713	61,488
	Effect of diluted securities:			
	Share options	**-**	-	178
Diluted:	Adjusted weighted average shares	**63,785**	60,713	61,666

7. (LOSS) / EARNINGS PER SHARE (continued)

Where a loss has occurred, basic and diluted earnings per share are the same because the outstanding share options are anti-dilutive. Accordingly, diluted earnings per share equals the basic earnings per share.

8. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2010	30 June 2009	31 December 2009
	US$'000	*US$'000*	*US$'000*
At the beginning of the period	**23,911**	19,122	19,122
Fair value through profit and loss	**-**	-	4,813
Effect of foreign exchange	**(77)**	-	(24)
At the end of the period	**23,834**	19,122	23,911

The Group adopted price of recent investment methodology prescribed in the IPEVCV guidelines to value its investments at fair value through profit and loss. Applying the methodology, the Group has used the purchase consideration paid by third parties in the acquisition of new shares in the investment as the basis to estimate the fair value of the investment. There have been no further transactions occurring since 22 December 2009 and in the opinion of the Directors, the fair value of the investment at 30 June 2010 is the same as the amount stated at 31 December 2009.

9. SHARE CAPITAL

	Number of shares	**Amount** US$'000
Authorised, called-up and fully paid Ordinary shares of no par value each at 1 January 2009	9,873,034	20,347
Ordinary shares issued on 30 June 2009	33,175	-
As at 30 June 2009	9,906,209	20,347
Ordinary shares issued on 19 October 2009 for Directors	72,942	-
Ordinary shares issued on 19 October 2009	2,777,778	5,000
Issue costs	-	(874)
Exchange difference	-	99
Authorised, called-up and fully paid Ordinary shares of no par value each at 31 December 2009	12,756,929	24,572
Bonus issue on 4 June 2010	51,027,716	-
Authorised, called-up and fully paid Ordinary shares of no par value each at 30 June 2010	63,784,645	24,572

Pursuant to the specific mandate obtained from shareholders to issue new ordinary shares by way of a bonus issue of 51,027,716 new ordinary shares of no par value on a general meeting held on 3 June 2010, 51,027,716 new ordinary shares of no par value were issued by the Company to its shareholders on 4 June 2010.

10. RELATED PARTY TRANSACTIONS

During the current interim period, the Group entered into the following transactions with related parties and connected parties:

	Note	**30 June 2010 *US$'000***	30 June 2009 *US$'000*	31 December 2009 *US$'000*
Imperia Capital International Holdings Limited				
Amount due to	*(i)*	**9**	-	9
UCCTV Holdings Limited				
Amount due from	*(ii)*	**530**	-	517
Patrick Macdougall and John Croft	*(iii)*	**-**	-	31
Amount due to Directors	*(iv)*			
- Duncan Chui		**43**	104	19
- Hanson Cheah		**16**	37	56
- Chau Vinh Heng		**22**	-	6
- Ernest Wong		**57**	150	-
- John Croft		**4**	56	-
- Patrick Macdougall		**6**	115	-

(i) As at 30 June 2010 and 31 December 2009, the Group owed approximately US$8,600 to Imperia Capital International Holdings Limited, a shareholder of the Company. The loan is repayable on demand and does not bear interest.

(ii) Duncan Chui was a director of UCCTV Holdings Limited ("UCCTV") as at 30 June 2010 and 31 December 2009. The amount due is fully guaranteed by the major shareholder of UCCTV, interest bearing at 5% per annum and repayable on demand.

During the current interim period, interest received and receivable from UCCTV amounted to US$12,528 (six months ended 30 June 2009: Nil).

(iii) During the year ended 31 December 2009, the Company issued shares to Patrick Macdougall and John Croft (both are Directors), in lieu of cash for their remuneration.

(iv) The amount due to Directors is unsecured, interest free and has no fixed term of repayment.

10. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) During the current interim period, the remuneration for key management personnel of the Group (all are Directors) was US$239,520 (six months ended 30 June 2009: US$252,814).

There were no other contracts of significance in which any Director has or had during the current interim period.

During the year ended 31 December 2009, a total of 871,150 share options exercisable at US$1.80 were granted to Chau Vinh Heng. The options have not been exercised.

11. SUBSEQUENT EVENTS

There are no material subsequent events up to the date of approval of this report.