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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)

PLACING OF EXISTING SHARES AND TOP UP SUBSCRIPTION FOR NEW SHARES RESUMPTION OF TRADING

Financial adviser to the Company



THE PLACING AND SUBSCRIPTION AGREEMENT

On 20 May 2009, the Vendor, the Company and the Placing Agent entered into the Placing and Subscription Agreement pursuant to which the Placing Agent agreed to place the Placing Shares of 352,600,000 Shares at the Placing Price of HK\$0.105 per Placing Share to not less than six independent Placees. On the other hand, the Vendor also agreed to subscribe for and the Company agreed to issue a total of 352,600,000 Subscription Shares at a price of HK\$0.105 per Subscription Share. The Subscription Shares represent approximately 19.99% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement and approximately 16.66% of the issued share capital of the Company as enlarged by the Subscription Shares.

The net proceeds of the Share Subscription, after deduction of the relevant expenses, are estimated to be of approximately HK\$35.9 million. The Company intends to apply the net proceeds from the Share Subscription principally as general working capital.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 20 May 2009, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 22 May 2009.

THE PLACING AND SUBSCRIPTION AGREEMENT DATED 20 MAY 2009

Parties:

- (i) the Vendor, a substantial shareholder of the Company;
- (ii) the Company; and
- (iii) the Placing Agent.

As at the date of this announcement, the Vendor is interested in 512,630,358 Shares, representing approximately 29.07% of the existing issued share capital of the Company totaling 1,763,698,191 Shares.

THE PLACING UNDER THE PLACING AND SUBSCRIPTION AGREEMENT

Total number of Placing Shares:

352,600,000 Shares, representing (i) approximately 19.99% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the Subscription Shares.

Vendor:

Ms. Yu Wai Fong

Placees:

It is expected that there will be not less than six Placees, and the Placees (and their ultimate beneficial owner(s), if applicable) will be third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group.

Placing Price:

The Placing Price of HK\$0.105 per Placing Share was arrived at after arm's length negotiations among the parties to the Placing and Subscription Agreement by reference to the recent market condition and the recent historical price of the Shares. The Placing Price represents:

- (i) a discount of approximately 19.85% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on 19 May 2009, being the last full trading day prior to the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 8.70% to the average closing price of HK\$0.115 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19 May 2009.

The net Placing Price (after deduction of all the relevant placing commission and other costs and expenses) is estimated to be at approximately HK\$0.102 per Placing Share.

Rights:

The Placing Shares are sold free from all encumbrances together with all rights attaching to them ranking pari passu to the Shares in all respects as at the date of the Placing and Subscription Agreement, including the right to receive all dividends declared or other distributions which may be declared, paid or made by the Company on or after the date of the Placing and Subscription Agreement.

Independence of the Placing Agent and the Placees:

To the best of the knowledge, information and belief of the Directors and the Vendor having made all reasonable enquiries, as at the date of this announcement, the Placees and (where applicable) their ultimate beneficial owner(s) as well as the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group.

The Company currently anticipates that none of the Placees will become a holder of 10% or more of the issued share capital of the Company immediately upon completion of the Placing.

Completion of the Placing:

On or before 5:00 p.m. on 25 May 2009 or such later time and/or date as the Vendor and the Placing Agent may agree in writing. The Placing is unconditional.

Placing fee:

The Placing Agent is entitled to a commission, in Hong Kong dollars, of 2.5% of the amount equals to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The Directors consider that the placing fee is fair and reasonable and is on normal commercial terms.

THE SHARE SUBSCRIPTION UNDER THE PLACING AND SUBSCRIPTION AGREEMENT

Subscriber:

The Vendor

Issuer:

The Company

Number of Subscription Shares:

352,600,000 new Shares, representing (i) approximately 19.99% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the Subscription Shares.

The aggregate nominal value of the 352,600,000 Subscription Shares is HK\$3,526,000.

Subscription price:

The subscription price for each Subscription Share shall be the same as the Placing Price. The subscription monies to be paid by the Vendor to the Company for the Subscription Shares shall be the aggregate of the Placing Price multiplied by the number of Subscription Shares less the expenses in relation to the 352,600,000 Placing Shares which shall be borne by the Company.

The total gross proceeds from the Share Subscription will be HK\$37.02 million, while the total net proceeds from the Share Subscription is expected to amount to approximately HK\$35.9 million (after deduction of the estimated expenses) and the net price per Subscription Share is expected to be approximately HK\$0.102.

General mandate to issue the Subscription Shares:

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 25 August 2008. Under such general mandate, the Directors are authorized to allot and issue up to 352,739,638 Shares.

As at the date of this announcement, no Shares have been allotted and issued pursuant to such general mandate. The Placing and the Share Subscription are not subject to approval by the Shareholders.

Ranking of the Subscription Shares:

The Subscription Shares, when fully paid, will rank pari passu in all respects with the other Shares in issue on the completion date of the Share Subscription including the right to all dividends and other distributions declared, made or paid at any time after the respective date of allotment and issue of the Subscription Shares.

Conditions of the Share Subscription:

Completion of the Share Subscription is conditional upon fulfillment of the following conditions:

- (i) completion of the Placing;

- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (iii) if required, the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent to transfer of the Subscription Shares under the Share Subscription on or before 3 June 2009.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. Furthermore, the Company and the Vendor will, subject to compliance with the Listing Rules, take all necessary steps so that the completion of the Share Subscription can take place as soon as practicable.

Completion of the Share Subscription:

Completion of Share Subscription will take place on the Business Day after the date upon which the last of the conditions listed above to be satisfied shall have been so satisfied. The Share Subscription must be completed on or before 3 June 2009, being 14 days from the date of the Placing and Subscription Agreement. If the Share Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

Changes in the shareholding structure as a result of the Placing and the Share Subscription:

Assuming all the Placing Shares are placed under the Placing and Subscription Agreement, the shareholding structure of the Company (i) as at the date of the Placing and Subscription Agreement; (ii) immediately after completion of the Placing but before the Share Subscription; and (iii) immediately after completion of the Placing and the Share Subscription is summarized as follows:

Shareholders	As at the date of the Placing and Subscription Agreement		Immediately after completion of the Placing but before the Share Subscription		Immediately after completion of the Placing and the Share Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Vendor	512,630,358	29.07	160,030,358	9.08	512,630,358	24.22
Public Shareholders						
– Placees	–	–	352,600,000	19.99	352,600,000	16.66
– Other public Shareholders	<u>1,251,067,833</u>	<u>70.93</u>	<u>1,251,067,833</u>	<u>70.93</u>	<u>1,251,067,833</u>	<u>59.12</u>
Total	<u>1,763,698,191</u>	<u>100</u>	<u>1,763,698,191</u>	<u>100</u>	<u>2,116,298,191</u>	<u>100</u>

Reasons for the Placing and the Share Subscription and use of proceeds of the Share Subscription

The Group is principally engaged in the properties investment business, comprising the rental of investment properties and the provision of the property management services. The Company is also seeking for opportunities to penetrate into the mining industry in the PRC should any suitable opportunities arise in the future.

The Directors consider that the Placing and the Share Subscription represent a favorable opportunity for the Company to raise capital whilst broadening the shareholder base and the capital base of the Company. The Company intends to use the estimated net proceeds from the Share Subscription of approximately HK\$35.9 million for general working capital.

GENERAL

The Company has not conducted any equity fund raising activity in the past 12 months immediately prior to the date of this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 20 May 2009, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 22 May 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong throughout their regular business hours
“Company”	China Properties Investment Holdings Limited (中國置業投資控股有限公司*), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	professional, institutional or other investors procured by the Placing Agent to purchase any of the Placing Shares pursuant to its obligations under the Placing and Subscription Agreement
“Placing”	the offer by way of a private placing of the Placing Shares by the Placing Agent on behalf of the Vendor on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Agent”	Get Nice Securities Limited
“Placing and Subscription Agreement”	the placing agreement and the subscription agreement dated 20 May 2009 entered into between the Vendor and the Placing Agent, and the Company and the Vendor respectively in respect of the Placing and the Share Subscription
“Placing Price”	the price of HK\$0.105 per Placing Share
“Placing Shares”	352,600,000 Shares to be sold by the Vendor, representing approximately 19.99% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Subscription”	the subscription of the Subscription Shares by the Vendor on the terms and subject to the conditions of the Placing and Subscription Agreement

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	352,600,000 new Shares to be allotted and issued by the Company to the Vendor, and subscribed for by the Vendor pursuant to the Placing and Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Vendor”	Ms. Yu Wai Fong, a substantial shareholder of the Company and an executive Director
“%”	per cent.

By order of the Board
China Properties Investment Holdings Limited
Yu Wai Fong
Chairman

Hong Kong, 21 May 2009

As at the date of this announcement, the executive Directors are Ms. Yu Wai Fong and Mr. Au Tat On, and the independent non-executive Directors are Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min.

This announcement will remain on the “Latest Company Announcements” page of the website of the Stock Exchange and the website of the Company for at least 7 days from the date of its posting.

* *For identification purpose only*