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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 SUBSCRIPTION OF NEW SHARES

Placing Agent

Cheong Lee Securities Limited

On 27 May 2010 after trading hours, the Vendor entered into (i) the Placing Agreement with the Placing Agent and the Company; and (ii) the Subscription Agreement with the Company. Pursuant to the Placing Agreement, the Placing Agent have agreed to place, on a best effort basis, to not less than six independent Placees for up to 500,000,000 existing Shares at a price of HK\$0.055 per Placing Share, for and on behalf of the Vendor. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of Placing Shares successfully placed by the Placing Agent at a price of HK\$0.055 per Subscription Share.

The maximum number of 500,000,000 Placing Shares represents approximately 9.9% of the entire issued share capital of the Company of 5,052,909,761 Shares as at the date of this announcement and approximately 9.0% of the Company's entire issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$26.6 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for the possible acquisition set out in the Company's announcement dated 24 March 2010 and for general working capital.

THE PLACING AGREEMENT

Date:	27 May 2010.
Vendor:	Ms Yu Wai Fong, director and substantial shareholder of the Company. The Vendor is beneficially holding 512,630,358 Shares, representing approximately 10.15% of the Company's issued share capital as at the date of this announcement.
Placing Agent:	Cheong Lee Securities Limited. To the best of the Directors' knowledge, information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.
Placees:	The Placing Shares will be placed to not less than six Placees (which will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing.
Number of Placing Shares:	Up to 500,000,000 existing Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 9.9% of the entire issued share capital of the Company of 5,052,909,761 Shares as at the date of this announcement and approximately 9.0% of the Company's entire issued share capital as enlarged by the Subscription.
Placing Price:	<p>HK\$0.055 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:</p> <ul style="list-style-type: none">(a) a discount of approximately 19.1% to the closing price of HK\$0.068 per Share as quoted on the Stock Exchange on 27 May 2010, being the date of the Placing Agreement;(b) a discount of approximately 18.6% to the average closing price of approximately HK\$0.0676 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately before the date of the Placing Agreement.
Placing Commission:	The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing.

Completion of the Placing:	The Placing is unconditional and completion of the Placing is expected to take place on or before 10 June 2010 (or such other time or date as the Vendor and the Placing Agent may agree in writing).
Termination:	<p>The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:</p> <ul style="list-style-type: none"> (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing); or (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or (f) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or (g) any change or deterioration in the conditions of local, national or international securities markets.

THE SUBSCRIPTION AGREEMENT:

Date:	27 May 2010.
Subscriber:	The Vendor.
Number of Subscription Shares:	The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares successfully placed by the Placing Agent pursuant to the Placing Agreement. Assuming the Placing Shares are fully placed, the Company will issue 500,000,000 Subscription Shares to the Vendor, representing approximately 9.9% of the entire issued share capital of the Company of 5,052,909,761 Shares as at the date of this announcement and approximately 9.0% of the Company's entire issued share capital as enlarged by the Subscription. The nominal value of the Subscription Shares is HK\$5,000,000.00.
Subscription Price:	HK\$0.055 per Subscription Share. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and Subscription and the net proceeds from the Subscription is estimated to be approximately HK\$26.6 million (assuming the Placing Shares are fully placed). As a result, the net price per Subscription Share will be approximately HK\$0.053.
General Mandate:	The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's special general meeting held on 12 May 2010 up to 1,010,581,952 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.
Ranking of Subscription Shares:	The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.
Conditions to the Subscription:	<p>The Subscription is conditional upon the following conditions:</p> <ul style="list-style-type: none">(a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in all the Subscription Shares;(b) completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and(c) if necessary, the Bermuda Monetary Authority approving or agreeing to approve the allotment and issue of the Subscription Shares.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

The Subscription is not subject to Shareholders' approval.

Completion of the Subscription: Subject to the satisfaction of all the conditions set out above, the Subscription is expected to be completed within 14 days from the date of the Subscription Agreement, i.e. 10 June 2010 or such later time and/or such other date as the Vendor and the Company may agree in writing. If the Subscription is to be completed after 10 June 2010, 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.

EFFECT OF THE PLACING AND SUBSCRIPTION ON SHAREHOLDINGS

The shareholdings in the Company (i) as at the date hereof; (ii) immediately after completion of the Placing but before completion of the Subscription and (iii) immediately after completion of both Placing and the Subscription are and will be as follows:

Shareholders	As at the date hereof		Immediately after completion of Placing but before completion of Subscription		Immediately after completion of Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yu Wai Fong	512,630,358	10.15	12,630,358	0.25	512,630,358	9.23
Gold Trinity International Limited (<i>note</i>)	1,570	0.00	1,570	0.00	1,570	0.00
Public Shareholders	4,540,277,833	89.85	4,540,277,833	89.85	4,540,277,833	81.77
Placees	<u>0</u>	<u>0.00</u>	<u>500,000,000</u>	<u>9.90</u>	<u>500,000,000</u>	<u>9.00</u>
Total	<u>5,052,909,761</u>	<u>100.00</u>	<u>5,052,909,761</u>	<u>100.00</u>	<u>5,552,909,761</u>	<u>100.00</u>

Note:

Gold Trinity International Limited is wholly-owned by Mr. Han Wei (韓衛), a director of a wholly-owned subsidiary of the Company. As at the date of this announcement, Gold Trinity International Limited is the holder of the convertible bonds issued by the Company on 27 July 2009 in an outstanding principal amount of HK\$78 million at the conversion price of HK\$0.081 per conversion share.

REASONS FOR AND BENEFITS OF THE PLACING AND SUBSCRIPTION AND USE OF THE PROCEEDS

The Group is principally engaged in (i) the properties investment business, comprising the rental of investment properties and the provision of the property management services; and (ii) the exploitation of copper and molybdenum in a mine located in Inner Mongolia, the PRC.

In view of the current market conditions, the Directors consider that the Placing and Subscription represent a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business developments. The Directors consider the terms of the Placing Agreement and Subscription Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Subject to the Subscription being completed, the Company will bear all costs and expenses of approximately HK\$0.9 million in connection with the Placing and the Subscription. The net proceeds from the Subscription of up to approximately HK\$26.6 million will be used for the possible acquisition set out in the Company's announcement dated 24 March 2010 and for general working capital.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
21 May 2009 & 22 May 2009	Top-up Subscription of new shares	Approximately HK\$45.10 million	General working capital and/or finance possible acquisition of mine	Used as intended
6 July 2009	Top-up Subscription of new shares	Approximately HK\$36.07 million	General working capital and to repay debt liabilities of the Group	Used as intended
19 August 2009	Placing of convertible bonds	Approximately HK\$82.80 million as at the date of this announcement	financing the possible acquisition announced by the Company on 18 August 2009 and general working capital of the Group.	Used approximately HK\$9.9 million for the related professional fees and general working capital of the Group

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
26 March 2010	Top-up Subscription of new shares	Approximately HK\$48.5 million	For the possible acquisition announced by the Company on 24 March 2010 and general working capital.	Used as intended

DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding Saturday) on which licensed banks in Hong Kong are generally open for business
“Company”	China Properties Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person (s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee”	any individual, institutional or other professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited
“Placing Price”	HK\$0.055 per Placing Share
“Placing Shares”	a maximum of 500,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Vendor dated 27 May 2010 in relation to the Subscription
“Subscription Price”	HK\$0.055 per Subscription Share
“Subscription Shares”	Shares to be subscribed by the Vendor pursuant to the Subscription Agreement
“Vendor”	Ms Yu Wai Fong, a director and substantial shareholder of the Company

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

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

Hong Kong, 27 May 2010

As at the date of this announcement, the executive Directors are Ms. Yu Wai Fong, Mr Xu Dong 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*