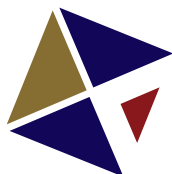


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION AND RESUMPTION OF TRADING

Financial Adviser to China Properties Investment Holdings Limited



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Reference is made to the announcements of the Company dated 24 March 2010, 26 March 2010, 8 April 2010 and 22 June 2010 regarding the MOU, the Addendum and the Confirmation Letter, respectively.

THE ACQUISITION

Further to the entering into of the MOU, the Addendum and the Confirmation Letter on 24 March 2010, 8 April 2010 and 22 June 2010, respectively, the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor regarding the Acquisition on 18 August 2010 (after trading hours). Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares at the Consideration of HK\$300 million. The Sale Shares represent the entire equity interest in the Target Company. The shareholding structure of the Target Group is included under the section headed “Shareholding Charts” of this announcement. The principal asset of the Target Group is the Mining License held by the Mining Company.

Pursuant to the Sale and Purchase Agreement, the Consideration shall be settled by the Company by cash and the issue of the Convertible Bonds.

The Mine is located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC* (內蒙古自治區赤峰市克什克騰旗三義鄉永勝村經棚鎮), with an aggregate mining area of 1.7259 km².

LISTING RULES IMPLICATION

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules. By virtue of that the Vendor, through its wholly-owned subsidiaries, is a substantial shareholder of the Mining Company (which is an indirect 51% owned subsidiary of the Company as at the date of this announcement), the Vendor is a connected person of the Company under the Listing Rules and thus the Acquisition also constitutes a connected transaction for the Company and is subject to the Independent Shareholders' approval by way of poll at the SGM. Mr. Han Wei is a director of the Mining Company, and is also the sole director and the sole shareholder of Gold Trinity International Limited, which in turn holds (a) 113,207,861 Shares; and (b) HK\$27 million worth of convertible bonds convertible into Shares. Furthermore, Mr. Han Wei is a director and an authorised representative of certain indirect wholly-owned subsidiaries of the Company (including but not limited to Shenzhen Dingyu), and a director and an authorised representative of Shanghai Jiyi. Accordingly, the Vendor, Gold Trinity International Limited, Mr. Han Wei and their respective associates are required to abstain from voting in favour of the Acquisition at the SGM.

GENERAL

An Independent Board Committee comprising Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min (all being independent non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Acquisition after taking into account the recommendation of the independent financial adviser to be appointed by the Company.

The SGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement (including the grant of the relevant specific mandate for issue of the Conversion Shares) and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) the Competent Person's Report; (v) the Valuation Report; and (vi) a notice convening the SGM, will be despatched to the Shareholders no later than 17 September 2010 in accordance with the Listing Rules.

As completion of the Acquisition is subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 19 August 2010, 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 2:30 p.m. on 27 August 2010.

INTRODUCTION

Further to the entering into of the MOU, the Addendum and the Confirmation Letter on 24 March 2010, 8 April 2010 and 22 June 2010, respectively, the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor regarding the Acquisition on 18 August 2010 (after trading hours). Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares at the Consideration of HK\$300 million.

As at the date of this announcement, the Company, through its wholly-owned subsidiaries and Shanghai Jiye, is ultimately beneficially interested in 51% of the equity interest in the Mining Company. Accordingly, upon Completion, the Company will effectively hold 91% of the equity interest in the Mining Company.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

Date:

18 August 2010

Parties involved:

Purchaser

The Company

Vendor

Star Lucky, being the sole shareholder of the Target Company, is an investment holding company incorporated in the British Virgin Islands on 2 July 2009 with limited liability. As at the date of this announcement, the Vendor is legally and beneficially owned as to 100% by Mr. Yang, who is also the sole director of the Vendor.

As at the date of this announcement, Mr. Yang is the sole director of the Target Company as well as Sinowood. Mr. Yang is also an executive director of the Shenzhen Company and the Beijing Company.

The Vendor, through its wholly-owned subsidiaries, is a substantial shareholder of the Mining Company (which as aforementioned is an indirect 51% owned subsidiary of the Company as at the date of this announcement) and thus is a connected person of the Company under the Listing Rules.

Save as the above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Vendor, Mr. Yang and their respective associates are third parties independent of the Company and the Company's connected persons. Furthermore, each of the Vendor, Mr. Yang and their respective associates is not a party acting in concert (as defined under the Takeovers Code) with any substantial shareholders of the Company.

In addition, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save and except for the 113,207,861 Shares and the HK\$27 million worth of convertible bonds convertible into Shares held by Mr. Han Wei through Gold Trinity International Limited; the Vendor, Mr. Yang, Mr Han Wei and their respective associates do not hold any Shares or other convertible securities in the Company as at the date of this announcement.

Guarantor

Mr. Yang

Mr. Yang, as the primary obligor (but not merely as a guarantor), as continuing security, unconditionally and irrevocably guarantees to the Purchaser that the Vendor shall pursuant to the Sale and Purchase Agreement duly and punctually perform and observe its obligations under the Sale and Purchase Agreement and pay all the money payable by the Vendor. The Guarantor also undertakes to the Purchaser that the Guarantor shall procure the Vendor to observe its obligations (whether expressed or implied) under the Sale and Purchase Agreement, including but not limited to the guarantee given by the Vendor.

Assets to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares at the Consideration. The Sale Shares represent the entire equity interest in the Target Company. The shareholding structure of the Target Group is included under the section headed “Shareholding Charts” of this announcement. The principal asset of the Target Group is the Mining License held by the Mining Company.

On 31 December 2009, the Beijing Company (before subsequently becoming an indirect wholly-owned subsidiary of the Target Company) entered into an agreement to acquire 40% equity interest in the Mining Company from Xinyuan Mining, which save as being the then substantial shareholder of the Mining Company, is not connected with the Company and the Company’s connected persons. The original cost of the Mining Company to the Beijing Company was RMB27 million (equivalent to approximately HK\$30.83 million) (the “**Original Cost**”).

The Consideration:

Pursuant to the Sale and Purchase Agreement, the Consideration of HK\$300 million shall be settled by the Company in the following manner:

- (i) HK\$48.50 million by cash payable by the Company upon performance of a due diligence review to the satisfaction of the Purchaser in an absolute discretion basis, as refundable deposit. A further portion of the refundable cash deposit in the sum of HK\$41.50 million will be paid by the Company within thirty Business Days (or any later date as agreed by the parties to the Sale and Purchase Agreement) of the execution of the Sale and Purchase Agreement; and
- (ii) after deduction of the said deposit, the remaining HK\$210 million by the issue of the Convertible Bonds in the principal amount of HK\$210 million at the Conversion Price of HK\$0.085 per Conversion Share within one month upon Completion to the Vendor.

The initial deposit of HK\$48.50 million and the further deposit of HK\$41.50 million were paid by the Company to the Vendor on 8 April 2010 and 20 August 2010 respectively and were financed by (i) the top-up placing and subscription of 510,000,000 shares of the Company before the Share Consolidation, under the top-up placing agreement and the subscription agreement dated 26 March 2010; (ii) the new share placing of 90,000,000 shares of the Company before the Share Consolidation under the new placing agreement dated 26 March 2010 as stated in the announcement of the Company dated 26 March 2010. (iii) the placing and subscription of 500,000,000 shares of the Company before the Share Consolidation under the placing agreement and the subscription agreement dated 27 May 2010 as stated in the announcement of the Company dated 27 May 2010; (iv) the placing and subscription of 500,000,000 shares of the Company before the Share Consolidation under the placing agreement and the subscription agreement dated 14 June 2010 as stated in the announcement of the Company dated 14 June 2010; and (v) the placing and subscription of 100,000,000 Shares under the placing agreement and the subscription agreement dated 5 August 2010 and the placing of 180,000,000 Shares under the new shares placing agreement dated 5 August 2010 as stated in the announcement of the Company dated 5 August 2010.

Basis of the Consideration:

The Consideration was determined between the Vendor and the Purchaser after arm's length negotiations, taking into account the followings:

- (i) the preliminary Valuation of approximately RMB741 million as at 31 March 2010 by the Valuer, as set out in the draft Valuation Report;
- (ii) the latest market statistics and future prospects of the non-ferrous metals industry; and
- (iii) the payment method of the Consideration.

The Valuer has applied the income approach, which was prepared with reference to the Feasibility Study Report and the Competent Person's Report, for the Valuation. Further details of the Feasibility Study Report will be set forth in the circular to be despatched to the Shareholders; whilst the full text of the Competent Person's Report and the Valuation Report will be contained in the Circular.

Based on the Vendor's understanding, since (i) there was no valuation conducted on the Mining Company for the acquisition of 40% equity interest in the Mining Company by the Beijing Company from Xinyuan Mining (the "**Acquisition by Beijing Company**") when the relevant memorandum of understanding (the "**Beijing Company MOU**") which stipulated that the purchase cost should be in the range of RMB25 million to RMB28 million was signed in December 2008; whilst the Consideration was determined with reference to the preliminary Valuation; (ii) the Beijing Company MOU was negotiated and entered into during the time of global financial crisis when the price of non-ferrous metals were generally decreasing; and (iii) the terms (including but not limited to the payment term) of the Acquisition by Beijing Company and the Acquisition are different, there is an increment of the Consideration when compared with the Original Cost.

The Beijing Company MOU was non-legally binding and had a validity period of two years from the date of signing of the same. Based also on the Vendor's understanding, the Beijing Company and Xinyuan Mining have been in prolong good relationship and the Beijing Company had assisted Xinyuan Mining in renewing the then expired Mining License. For these reasons, Xinyuan Mining had always decided to continue with the Acquisition by Beijing Company although the Beijing Company MOU was non-legally binding. On the other hand, given that the Board began to contemplate the acquisition of additional equity interest in the Mining Company in March 2010 (after the Acquisition by Beijing Company was completed), the Company could not approach Xinyuan Mining directly for its proposed acquisition of the Mining Company.

Having considered the above, together with the fact that (i) the Acquisition will provide an opportunity for the Group to penetrate further into the non-ferrous metals industry with an aim of strengthening the income base of the Group, and thereby enhancing the Group's future financial performance and profitability; (ii) the Acquisition would allow the Company to possess control over the entire board of directors of the Mining Company while the Consideration is comparable with the consideration under the Previous Acquisition; (iii) the latest market statistics and future prospects of the non-ferrous metals industry as set forth under the latter section of this announcement; (iv) the Consideration represents

a discount of approximately 11.41% to RMB296.40 million of the Valuation, being the portion attributable to the 40% effective equity interest in the Mining Company; and (v) a significant portion of the Consideration shall be satisfied by the issue of the Convertible Bonds, the Board (excluding the independent non-executive Directors whose view is subject to the advice from the independent financial adviser) consider that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Board composition of the Mining Company:

According to the Company's PRC legal advisers, the Mining Company is currently managed by a board of three directors. Shanghai Jiye and the Beijing Company are empowered to appoint two and one director(s) of the Mining Company respectively. Upon Completion, the Mining Company will become an indirect 91% owned subsidiary of the Company and the Company shall have control over the entire board of directors of the Mining Company.

Conditions precedent:

Completion of the Sale and Purchase Agreement is conditional upon certain conditions being fulfilled or waived in writing, including but not limited to:

- (i) the Company having obtained a PRC legal opinion (in such form and substance satisfactory to the Company) from a qualified PRC legal adviser appointed by the Company. The PRC legal opinion should confirm, inter alia, the legality of the Sale and Purchase Agreement and of the Company's interest in the Target Group and each of the companies in the Target Group upon Completion;
- (ii) the Company having obtained a Competent Person's Report from an independent competent person (in such form and substance satisfactory to the Company), showing the resources and reserves of the Mine;
- (iii) the Company having obtained a Valuation Report from an independent valuer (in such form and substance satisfactory to the Company), showing that the market value of 100% equity interest in the Mining Company is not less than RMB740 million;
- (iv) the Company having obtained a Feasibility Study Report from an independent qualified expert (in such form and substance satisfactory to the Company);
- (v) the Company, its agent or professional advisers being satisfied with the results of the due diligence review on the Target Group (in relation to legal, accounting, finance, operation or any other matters in the Company's opinion being important);
- (vi) the Vendor having obtained all approvals, confirmations, waivers or consents in respect of the Sale and Purchase Agreement and all transactions contemplated thereunder under applicable laws and regulations from the relevant authorities having jurisdiction over the Vendor or other relevant third parties (if so required by the relevant legislations);

- (vii) the approval from the Bermuda Monetary Authority to allot and issue the Conversion Shares (if required);
- (viii) the Independent Shareholders having in the SGM approved the Sale and Purchase Agreement, the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds and all transactions contemplated thereunder in accordance of the bye-laws of the Company and the Listing Rules;
- (ix) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Conversion Shares whether subject to conditions or not;
- (x) the Company being satisfied, from the date of signing of the Sale and Purchase Agreement and at any time before Completion, that the representations, warranties and undertakings given under the Sale and Purchase Agreement remain true, accurate, not misleading or in breach in any material respect and that no event have suggested that there were any material change in such representations, warranties and undertakings; and
- (xi) the Company not having discovered or known that from the date of signing of the Sale and Purchase Agreement till Completion, there being any abnormal operations or any material adverse change in the business, positions (including assets, financial and legal status), operations, performance or assets, or any undisclosed material potential risks in respect of the Target Group.

The Vendor undertakes to employ its reasonable endeavours to co-operate with the Company in complying with the conditions precedents (i) to (vi) and (x) and (xi) above within the time stipulated above (as applicable) including but not limited to making all necessary applications and submitting relevant information to the Stock Exchange and the Securities and Futures Commission in time. The Company undertakes to use its reasonable endeavours to cause clauses (vii), (viii) and (ix) above to be complied with within the time stipulated (as applicable) (including but not limited to making all necessary applications and submitting the relevant information to the Stock Exchange and the Securities and Futures Commission in time).

The Company shall have the right to waive in writing the conditions as mentioned above (save as and except for condition conditions (vii), (viii) and (ix)). Save as aforesaid, if the conditions precedent as set out in the Sale and Purchase Agreement have not been fulfilled (or, where applicable, waived by the Purchaser in writing) on or before the Long Stop Date, the Company can terminate the Sale and Purchase Agreement by notice in writing to the Vendor after the Long Stop Date, and the obligations of the Company under the Sale and Purchase Agreement shall terminate thereafter.

Save as in the case where the Company is in breach, if the Sale and Purchase Agreement is terminated as aforementioned, the Vendor shall repay the deposit (without interest) and any amount previously paid by the Company to the Vendor within ten Business Days of the despatch of the aforementioned notice by the Company.

Completion:

Completion shall take place within ten Business Days (or such later date and time as agreed by the Company and the Vendor in writing) from the date of the written notice of the Completion issued by the Company. Such written notice will only be issued by the Company where the conditions precedent to the Sale and Purchase Agreement set out above have been satisfied or waived (if possible).

The Company has no present intention to change the composition of the Board upon Completion and the Directors confirmed that the Company does not intend to appoint Mr. Yang and/or their respective associates as Director(s) as a result of the Acquisition.

The Convertible Bonds:

Pursuant to the Sale and Purchase Agreement, an amount of HK\$210 million out of the Consideration is to be satisfied by the issue of the Convertible Bonds at the Conversion Price of HK\$0.085 per Conversion Share by the Company to the Vendor (or its nominee(s)) within one month upon Completion.

The principal terms of the Convertible Bonds are summarised as follows:

Issuer

The Company

Noteholder(s)

The Vendor (or its nominee(s))

Principal amount

HK\$210 million

Maturity date

The Business Day falling on the third anniversary from the issue date of the Convertible Bonds

Interest

3% per annum

Transferability

The Convertible Bonds will be freely transferable or assigned (in integral multiple of HK\$500,000 or such lesser amount representing the entire outstanding principal amount of the Convertible Bonds) to transferee other than a connected person of the Company, which is subject to the prior written consent of the Company and in compliance with the Listing Rules.

Voting rights

The holder(s) of the Convertible Bonds is/are not entitled to attend or vote at any meetings of the Company.

Conversion rights

Holder(s) of the Convertible Bonds has/have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds (in the amount of HK\$500,000 or integral multiples thereof) on any Business Day after the date of issuance of the Convertible Bonds up to the maturity date, provided that (i) holder(s) of the Convertible Bonds and parties acting in concert with it/them will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code; and (ii) holder(s) of the Convertible Bonds shall not exercise the conversion rights attached to the Convertible Bonds if such conversion would result in the Company's non-compliance with the minimum public shareholding requirement stipulated under Rule 8.08 of the Listing Rules or other relevant requirements under the Listing Rules.

Conversion Price

The initial Conversion Price of HK\$0.085 per Conversion Share (subject to the usual provisions for adjustments arising from events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues) represents:

- (i) a premium of approximately 32.81% over the closing price of HK\$0.064 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 30.77% over the average of the closing prices of HK\$0.065 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 23.19% over the average of the closing prices of HK\$0.069 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 78.04% to the unaudited consolidated net asset value per Share of approximately RMB0.339 (equivalent to approximately HK\$0.387) (based on the audited consolidated net asset value of the Group of approximately RMB618,219,000 (equivalent to approximately HK\$706,006,098) as at 31 March 2010 and 1,823,789,499 issued Shares as at the date of this announcement).

The Board (excluding the independent non-executive Directors whose view is subject to the advice from the independent financial adviser) confirmed that the Conversion Price was arrived at after arm's length negotiations between the Company and the Vendor, after taking into account the stock market condition and the prevailing market price of the Shares.

Redemption

Holder(s) of the Convertible Bonds has/have the right to require the Company to redeem the Convertible Bonds upon the occurrence of events of default as stipulated under the terms of the Convertible Bonds.

The Company may at any time before the maturity date with the consent of the holder(s) of the Convertible Bonds redeem in whole or in part of the Convertible Bonds. Unless previously converted, purchased and cancelled, the Company shall pay the outstanding principal amount under the Convertible Bonds by cash on the date of maturity of the Convertible Bonds.

Ranking of the Conversion Shares

The Conversion Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Shares.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in the Conversion Shares. The Conversion Shares shall be allotted and issued under a specific mandate.

Assuming full conversion of all Convertible Bonds at the initial Conversion Price, 2,470,588,235 Conversion Shares will be issued, representing (i) approximately 135.46% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 57.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

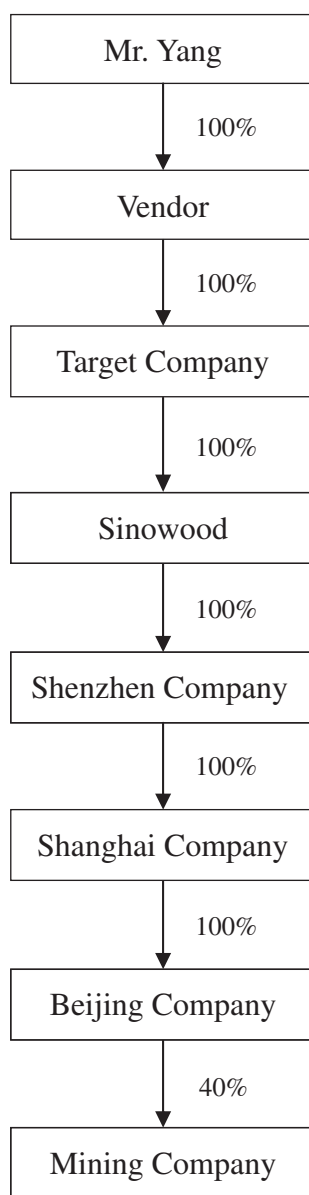
Non-competition undertaking

Under the Sale and Purchase Agreement, the Vendor has undertaken to the Company that the Vendor and its associates and affiliates would not directly or indirectly engage in businesses and/or investments which would compete with the businesses of the Target Group in the PRC.

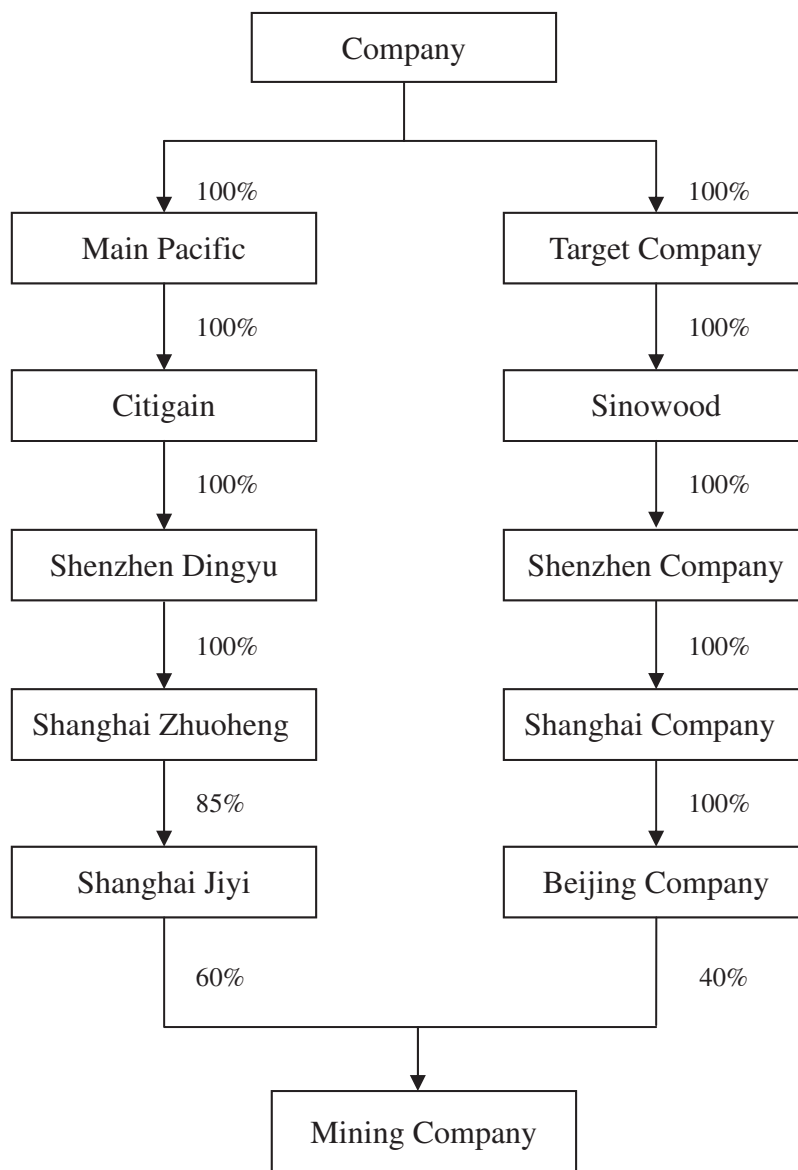
SHAREHOLDING CHARTS

The following charts show (i) the shareholding structure of the Target Group as at the date of this announcement; and (ii) the shareholding structure of the Enlarged Group immediately upon Completion:

Simplified shareholding structure as at the date of this announcement



Simplified shareholding structure immediately upon Completion



CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price; and (iii) immediately after the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds, subject to the conversion restrictions under the Sale and Purchase Agreement and the terms of the Convertible Bonds:

Shareholders	As at the date of this announcement		After the allotment and issue of the maximum number of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price		After the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds, while the Vendor does not hold more than 29.90% of the issued share capital of the Company (Note 2)	
	Number of shares	%	Number of shares	%	Number of shares	%
Ms. Yu Wai Fong, the Director	102,526,071	5.62	102,526,071	2.39	102,526,071	3.94
Gold Trinity International Limited (Note 1)	113,207,861	6.21	113,207,861	2.63	113,207,861	4.35
The Vendor (or its nominees)	–	–	2,470,588,235	57.53	777,907,361	29.90
Public Shareholders	1,608,055,567	88.17	1,608,055,567	37.45	1,608,055,567	61.81
Total	<u>1,823,789,499</u>	<u>100</u>	<u>4,294,377,734</u>	<u>100</u>	<u>2,601,696,860</u>	<u>100</u>

Notes:

- Gold Trinity International Limited is wholly-owned by Mr. Han Wei. 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\$27 million at the conversion price of HK\$0.106 per conversion share.
- The shareholding structure is shown for illustration purpose only and may not be exclusive. Pursuant to the conversion restrictions under the Sale and Purchase Agreement and the terms of the Convertible Bonds, holder(s) of the Convertible Bonds shall have the right to convert the Convertible Bonds into Conversion Shares provided that (i) holder(s) of the Convertible Bonds and parties acting in concert with it/them will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code; and (ii) holder(s) of the Convertible Bonds shall not exercise the conversion rights attached to the Convertible Bonds if such conversion would result in the Company's non-compliance with the minimum public shareholding requirement stipulated under Rule 8.08 of the Listing Rules or other relevant requirements under the Listing Rules.
- As at the date of this announcement, the Company has 14,108,000 outstanding share options granted under the share option scheme of the Company, carrying rights to subscribe for 14,108,000 Shares. Save for the aforesaid share options, the Company does not have any outstanding warrants, derivatives or securities convertible into Shares as at the date of this announcement. The shareholding structure shown in the above table has assumed no exercise of such share options.

The Company shall comply with the public float requirements, being not less than 25% of the total issued share capital of the Company under Rule 8.08 of the Listing Rules, at all times and take appropriate steps/measures to ensure sufficient public float of the Shares (if necessary).

DILUTION EFFECT OF THE SHAREHOLDERS

The Company will make disclosure relating to change in its issued share capital (including any conversion of the Convertible Bonds) in the Next Day Disclosure Return(s) and Monthly Return(s) in compliance with Rules 13.25A and 13.25B of the Listing Rules as and when required.

INFORMATION ON THE TARGET GROUP

The Target Company

The Target Company is an investment holding company incorporated in the British Virgin Islands on 12 March 2010 with limited liability and is wholly-owned by the Vendor. The Target Company has not recorded any turnover and profit since its incorporation.

Sinowood

Sinowood is an investment holding company incorporated in Hong Kong on 2 June 2009 with limited liability and is wholly-owned by the Target Company. Sinowood has not recorded any turnover and material loss since its incorporation. As at the date of this announcement, Sinowood holds 100% equity interest in the Shenzhen Company.

Shenzhen Company

The Shenzhen Company is a company incorporated in the PRC on 15 January 2010 with limited liability and is wholly-owned by Sinowood. The Shenzhen Company has not carried out any significant business since the date of its incorporation. As at the date of this announcement, the Shenzhen Company holds 100% equity interest in the Shanghai Company.

Shanghai Company

The Shanghai Company is incorporated in the PRC on 31 August 2006 with limited liability and is a wholly-owned subsidiary of the Shenzhen Company. The Shanghai Company has not carried out any significant business since the date of its incorporation. As at the date of this announcement, the Shanghai Company holds 100% equity interest in the Beijing Company.

Beijing Company

The Beijing Company is incorporated in the PRC on 24 April 2007 with limited liability. The Beijing Company has not carried out any significant business since the date of its incorporation. As at the date of this announcement, the Beijing Company is owned as to 100% by the Shanghai Company, and it holds 40% equity interest in the Mining Company.

The Mining Company

The Mining Company is incorporated in the PRC on 23 August 2006 with limited liability. As at the date of this announcement, the Mining Company is owned as to 60% by Shanghai Jiye and 40% by Beijing Company. As at the date of this announcement, the Company is interested in 85% of the equity interest in Shanghai Jiye. Accordingly, the Company is ultimately beneficially interested in 51% of the equity interest in the Mining Company. Upon Completion, the Mining Company will become an indirect 91% owned subsidiary of the Company.

The Mining Company holds the Mining License. As aforementioned, save as and except for the Mining License, the Mining Company has no other material assets as at the date of this announcement.

Details of the Mining License are summarised as below:

License number	Holder of the license	Mining area (km ²)	Expiry date
1500000820591	The Mining Company	1.7259	26 November 2011

Based on the examination of the relevant legal documents of the Mining Company and the fact that the Mining License has been granted to the Mining Company, the Company's PRC legal advisers indicated that there is no foreseeable obstacle for the Mining Company to renew the Mining License. The Company's PRC legal advisers also indicated that the Mining License is likely to be renewed for a period of three years upon expiration in November 2011.

In addition, according to the Company's PRC legal advisers, (a) there is also no foreseeable obstacle for the Mining Company to obtain the relevant licenses, other than the Mining License, in carrying out the mining business of copper itself; and (b) the Mining Company can carry on the mining business of molybdenum in the PRC provided that the Mining Company shall outsource the exploitation process of molybdenum to other third party which is incorporated in the PRC.

Profit sharing

According to a cooperative agreement entered into between Shanghai Jiye and the other former shareholder of the Mining Company on 28 July 2006 (the "**Cooperative Agreement**"), the profit sharing between Shanghai Jiye and the then shareholder in respect of the Mining Company is on a 50:50 basis during the payback period for the capital investment contributed by shareholders of the Mining Company and after the payback of the shareholders' capital investment, the profit sharing ratio between Shanghai Jiye and the then shareholder will be adjusted to the ratio of 45:55. The Company's PRC legal advisers confirmed that the Cooperative Agreement remains valid and the profit sharing between Shanghai Jiye and the Beijing Company in respect of the Mining Company shall be in accordance with the above ratio.

Capital commitment

Based on the supplemental agreement to the Cooperative Agreement, should the capital investment in the Mine at the development stage be less than RMB30 million, shareholders of the Mining Company shall make contributions by way of equity injection according to their respective equity interest in the Mining Company. In the event that such capital investment is more than RMB30 million, contributions by the shareholders of the Mining Company shall be by way of shareholder's loan according to the ratio as stipulated in the Cooperative Agreement.

Management team

The Mining Company has an experienced management team to oversee its operation. The management team consists of personnel with appropriate qualifications and relevant experience in the mining industry. The Enlarged Group will retain the existing management team of the Mining Company and will appoint suitable candidates to ensure continual efficient operation of the Mining Company. The detailed biographies of the existing and proposed members of the management team of the Mining Company will be disclosed in the circular to be despatched to the Shareholders.

Financial information of the Target Group

Upon Completion, the Mining Company will remain as a non wholly-owned subsidiary of the Company and the financial results of the Target Group will continue to be consolidated into the financial statements of the Group.

The Target Group comprises the Target Company, Sinowood, the Shenzhen Company, the Shanghai Company, the Beijing Company and the Mining Company, the financial information of which are illustrated below separately.

Set out below is a summary of the unaudited financial information on the Target Company from 12 March 2010 (being the date of its incorporation) up to 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

From 12 March 2010 up to 31 March 2010

Income Statement

RMB

Revenue	—
Profit/loss before taxation	—
Profit/loss after taxation	—

As at 31 March 2010

Balance Sheet

RMB

Total assets	7
Total liabilities	—
Net assets	7

Set out below is a summary of the unaudited financial information on Sinowood for the period from 2 June 2009 (being the date of its incorporation) up to 31 December 2009 and for the three months ended 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 2 June 2009 to 31 December 2009	For the three months ended 31 March 2010
Income Statement	<i>RMB</i>	<i>RMB</i>
Revenue	—	—
Loss before taxation	(16,966)	(1,342)
Loss after taxation	(16,966)	(1,342)
	As at 31 December 2009	As at 31 March 2010
Balance Sheet	<i>RMB</i>	<i>RMB</i>
Total assets	3,582	504,544
Total liabilities	(20,547)	(522,851)
Net liabilities	(16,965)	(18,307)

Set out below is a summary of the unaudited financial information on the Shenzhen Company from 15 January 2010 (being the date of its incorporation) up to 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

	From 15 January 2010 up to 31 March 2010
Income Statement	<i>RMB</i>
Revenue	—
Loss before taxation	(21,898)
Loss after taxation	(21,898)
	As at 31 March 2010
Balance Sheet	<i>RMB</i>
Total assets	1,004,160
Total liabilities	(525,819)
Net assets	478,341

Set out below is a summary of the unaudited financial information on the Shanghai Company for the two years ended 31 December 2009 and the three months ended 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2008 RMB	For the year ended 31 December 2009 RMB	For the three months ended 31 March 2010 RMB
Income Statement			
Revenue	7,800	130,198	66,476
Loss before taxation	(12,273)	(11,912)	(171,791)
Loss after taxation	(12,273)	(11,912)	(171,791)
	As at 31 December 2008 RMB	As at 31 December 2009 RMB	As at 31 March 2010 RMB
Balance Sheet			
Total assets	118,092,751	6,541,342	5,581,638
Total liabilities	(117,601,059)	(6,061,562)	(5,273,649)
Net assets	491,692	479,780	307,989

Set out below is a summary of the unaudited financial information on the Beijing Company for the two years ended 31 December 2009 and the three months ended 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2008 RMB	For the year ended 31 December 2009 RMB	For the three months ended 31 March 2010 RMB
Income Statement			
Revenue	—	—	—
Loss before taxation	(61,920)	(62,468)	(35,585)
Loss after taxation	(61,920)	(62,468)	(35,585)
	As at 31 December 2008 RMB	As at 31 December 2009 RMB	As at 31 March 2010 RMB
Balance Sheet			
Total assets	492,794	484,356	27,342,711
Total liabilities	(78,618)	(132,648)	(27,026,588)
Net assets	414,176	351,708	316,123

Set out below is a summary of the unaudited financial information on the Mining Company for the two years ended 31 December 2009 and the three months ended 31 March 2010 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2008 RMB	For the year ended 31 December 2009 RMB	For the three months ended 31 March 2010 RMB
Income Statement			
Revenue	—	—	—
Profit/loss before taxation	—	—	—
Profit/loss after taxation	—	—	—
	As at 31 December 2008 RMB	As at 31 December 2009 RMB	As at 31 March 2010 RMB
Balance Sheet			
Total assets	12,362,420	12,695,754	12,829,154
Total liabilities	(2,362,420)	(2,695,754)	(2,829,154)
Net assets	10,000,000	10,000,000	10,000,000

THE MINE

The Mine is located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC* (內蒙古自治區赤峰市克什克騰旗三義鄉永勝村經棚鎮), with an aggregate mining area of 1.7259 km².

With reference to the Competent Person's Report dated June 2010 issued by the Competent Person, the Mine is located over lithological units which have demonstrated potential for the extraction of copper and molybdenum mineral is action. The resources of the Mine based on the JORC Code are as follows:

Category	Metal Contents	
	Molybdenite (t)	Copper (t)
Measured Resource	0.00	0.00
Indicated Resource	5,356.91	11,192.00
Inferred Resource	0.00	7,668.00
Total	5,356.91	18,860.00

According to the Competent Person and under the JORC Code, an ‘inferred mineral resource’ is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. An “inferred mineral resource” is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. Whereas for an “indicated mineral resource”, the Competent Person advised that under the JORC Code, it is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence, and is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Such locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

As disclosed in the circular of the Company dated 30 June 2009 (the “**Previous Circular**”), the Company first attempted to penetrate into the non-ferrous metals industry through the Previous Acquisition. The Previous Acquisition was completed in July 2009. Following the completion of the Previous Acquisition, no additional drilling works have been done in the Mine. Moreover, the original development plan of the Mine as disclosed in the Previous Circular has been delayed and modified since the Mining Company would like to formulate a more thorough plan for development of the Mine. In order to ensure that the exploitation and production of the Mine will be successful after it starts the actual operations, the Mining Company has started the preparation work for open pit mining, ore processing and other ancillary works. The Mining Company has also completed the evaluation on the geological and hydrological environment of the Mine and planned for the Mine’s future scale of production and infrastructure in details. Furthermore, the management of the Mining Company has already approached possible suppliers for procuring the equipments and mining facilities which will be required for the Mine’s future operations and conducted relationship management with local government authorities and the potential customers of the Mining Company.

After completion of the above preparation work and the finalisation of an updated and detailed Feasibility Study Report, the Mine began to undergo the initial stage of development. As represented by the Competent Person, it is expected that the Mine will be able to commence commercial production around 18 months after the completion of the development stage, which is expected to be in the year of 2012.

REASONS FOR THE ACQUISITION

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 Group entered into the PRC mining industry through the Previous Acquisition. Nevertheless, the Mining Company has not yet contributed any operational revenue to the Group after completion of the Previous Acquisition.

Industry overview

Copper

Copper is the world's third largest industrial metal by volume, after steel and aluminum. The main industrial usage of copper is for the production of cable, wire and electrical products for both the electrical and building industries.

According to the statistics released by 中國有色金屬科技信息網 (<http://www.cnitdc.com>), the domestic selling price of copper had risen from approximately RMB27,375 per tonne at the beginning of 2009 to approximately RMB57,125 per tonne by the end of 2009, representing an increase of approximately 108.68%. Furthermore, as referred to the statistics released by the China Non-ferrous Metals Industry Association (<http://www.chinania.org.cn>), copper production had reached approximately 4,109,500 tonnes in 2009, representing a growth of approximately 10.77% as compared to the prior year.

Molybdenum

Molybdenum is a common by-product of copper mining and has the ability to withstand extreme temperatures with a high resistance to corrosion. Molybdenum is widely used as an alloy agent in stainless steel. The uses for molybdenum-containing products are mostly industrial and they include energy generation, oil and gas, chemical processing, transportation, mining, mechanical engineering, building and construction and fabrication.

According to the statistics released by 中國有色金屬科技信息網 (<http://www.cnitdc.com>), the reference domestic selling price of molybdenum was RMB310 to RMB330 per kilogram in the beginning of 2009 and RMB290 to RMB320 per kilogram by the end of 2009. Moreover, molybdenum production had reached approximately 215,579 tonnes in 2009, representing a growth of approximately 17.5% as compared to the prior year.

Conclusion

In view of the possible continual economic growth in the PRC, it is expected that demand for non-ferrous metals (such as copper and molybdenum) will be sustainably high in long run. The Directors hence consider that it is beneficial for the Group to penetrate further into the non-ferrous metals industry in order to strengthen the Group's income source.

Nevertheless, the Directors also consider that the Enlarged Group may be posed with certain inevitable risks due to the Acquisition (details of which are set out under the section headed “Risk factors” below). Having balanced the risks associated with the Acquisition and the prospects of the Mining Company, the Board (excluding the independent non-executive Directors whose view is subject to the advice from the independent financial adviser) is of the view that the terms of the Sale and Purchase Agreement (including the Consideration and the terms of the Convertible Bonds) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

RISK FACTORS

Set out below are the risk factors which may be associated with the Acquisition:

Fluctuation in the price and demand of copper and molybdenum

The price of copper and molybdenum in the PRC is highly dependent on their prices in the international market. The Directors consider that there are many factors which may influence the price and demand of copper and molybdenum in the international market, including but not limited to the stability of the international economic situation and the fluctuation of the global political and social condition, which are beyond the control of the Enlarged Group. Besides that, there is a possibility that the prices of commodities may fall to lower levels and the future price movements of copper and molybdenum (whether upward or downward) are unpredictable as at this moment.

Uncertainties in copper and molybdenum exploitation

The amounts of copper and molybdenum resources in the Mine may be varied from the estimations by the Competent Person and there is no assurance that the exploitation works to be performed by the Mining Company can lead to discovery of economically feasible resources.

The PRC government’s regulations on the non-ferrous metals industry

The non-ferrous metals industry is subject to various government policies and regulations, including but not limited to, exploitation, development, production, taxation, labour standards, vocational health and safety, waste treatment, environment monitoring, protection and control, operation management and other problems. Any changes to those policies may increase the operating costs of the Mining Company and hence, adversely affect the operating results of the Enlarged Group.

Validity of the Mining License

Despite the fact that the Mining Company has obtained the Mining License for conducting exploitation activities in the Mine during the licensed period, the Mining License is subject to renewal in the future and the Mining Company may not be able to renew or extend its exploitation rights. In the event that the Mining Company fails to renew the Mining License upon expiration, the operation and financial performance of the Enlarged Group will be adversely affected.

Difference in legal system

The PRC legal system is based on a statutory law system. Unlike the common law system, prior legal decisions and judgments are relevant for guidance only but do not have precedent effect. Since 1979, the PRC government has been developing a commercial law system, and progress has been made in promulgating laws and regulations relating to economic affairs and matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade.

However, these regulations are relatively new and the availability of public cases as well as the judicial interpretation of them are limited in number. Moreover, as prior court decisions are not binding, both the implementation and interpretation of these laws, regulations and legal requirements are uncertain in many areas. Accordingly, there is a risk that some of the Target Group's existing and future contractual rights may not be fully enforceable under the PRC legal system, which could materially and adversely affect the Enlarged Group's business and results of operations.

Significant and continuous capital investment

The mining business requires significant and continuous capital investment. Natural resources production projects may not be completed as planned or scheduled, may exceed the original budgets and may not achieve the intended economic results or commercial viability. Thus, the actual capital investment for operation and development of the Mining Company may significantly exceed the Group's budgets because of factors beyond the Company's control.

Operation risks

The mining business of the Mining Company is subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, unexpected labour shortages and compensatory claims, disputes or strikes, cost increases for contracted and/or purchased goods and services; shortages of required materials and supplies; electrical power interruptions, mechanical and electrical equipment failure; changes in the regulatory environment; natural phenomena, such as inclement weather conditions, floods, earthquakes, pit wall failures, tailings dam failures and cave-ins, encountering, unusual or unexpected climatic conditions which may or may not result from global warming; and encountering unusual or unexpected geological conditions.

The Acquisition will increase the level of risk exposure of the Enlarged Group. Independent Shareholders should be aware of the aforementioned risk factors, which may not be exhaustive, when considering the Acquisition.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial Acquisition for the Company under the Listing Rules. By virtue of that the Vendor, through its wholly-owned subsidiaries, is a substantial shareholder of the Mining Company (which as aforementioned is an indirect 51% owned subsidiary of the Company as at the date of this announcement), the Vendor is a connected person of the Company under the Listing Rules and thus the Acquisition also constitutes a connected transaction for the Company and is subject to the Independent Shareholders' approval by way of poll at the SGM. Mr. Han Wei is a director of the Mining Company, and is also the sole director and the sole shareholder of Gold Trinity International Limited which in turn holds (a) 113,207,861 Shares; and (b) HK\$27 million worth of convertible bonds convertible into Shares. Furthermore, Mr. Han Wei is a director and an authorised representative of certain indirect wholly-owned subsidiaries of the Company (including but not limited to Shenzhen Dingyu), and a director and an authorised representative of Shanghai Jiye. Mr. Han Wei is therefore considered to have material interest in the Acquisition. Accordingly, the Vendor, Gold Trinity International Limited, Mr. Han Wei and their respective associates are required to abstain from voting in favour of the Acquisition at the SGM.

GENERAL

An Independent Board Committee comprising Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min (all being independent non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Acquisition after taking into account the recommendation of the independent financial adviser to be appointed by the Company.

The SGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement (including the grant of the relevant specific mandate for issue of the Conversion Shares) and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) the Competent Person's Report; (v) the Valuation Report; and (vi) a notice convening the SGM will be despatched to the Shareholders no later than 17 September 2010 in accordance with the Listing Rules.

As completion of the Acquisition is subject to the fulfillment of a number of conditions precedents which are detailed in this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should 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 9:30 a.m. on 19 August 2010, 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 2:30 p.m. on 27 August 2010.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions set out in the Sale and Purchase Agreement
“Addendum”	the addendum to the MOU dated 8 April 2010 in relation to the Acquisition
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Beijing Company”	北京海創天元貿易有限公司 (Beijing Hai Chong Tianyuan Trading Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by the Shanghai Company
“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
“Citigain”	Citigain Holdings Limited (裕創集團有限公司*), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Main Pacific
“Company” or “Purchaser”	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, being the purchaser of the Acquisition under the Sale and Purchase Agreement

“Competent Person”	Roma Oil & Mining Associates Limited, being the person with the requisite qualifications for preparing the Competent Person’s Report under the Listing Rules
“Competent Person’s Report”	the report prepared by the Competent Person regarding the resources and/or reserves of the Mine under the Listing Rules
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Confirmation Letter”	the confirmation letter entered into between the parties to the MOU on 22 June 2010 in relation to, among other things, the extension of the MOU
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	the total consideration of HK\$300 million payable by the Purchaser to the Vendor for the Acquisition pursuant to the Sale and Purchase Agreement
“Conversion Price”	HK\$0.085 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Sale and Purchases Agreement and the terms of the Convertible Bonds
“Conversion Share(s)”	2,470,588,235 new Shares to be allotted and issued by the Company upon exercise of the conversion rights attached to all the Convertible Bonds at the initial Conversion Price
“Convertible Bonds”	the convertible redeemable bonds in the principal amount of HK\$210 million to be issued by the Company to the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group immediately after the Completion
“Feasibility Study Report”	a feasibility study report incorporating a pre-feasibility study report prepared by the Competent Person regarding the viability of the mining activity in the Mine and the future business of the Mining Company
“Group”	the Company and its subsidiaries

“Guarantor”	Mr. Yang
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, for the purpose of advising the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	Shareholders other than the Vendor, Gold Trinity International Limited, Mr. Han Wei and their respective associates
“Independent Third Parties”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Last Trading Day”	18 August 2010, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the publication of this announcement
“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
“Long Stop Date”	18 August 2011, being one year from the execution of the Sale and Purchase Agreement, or such later date as the relevant parties to the Sale and Purchase Agreement may agree in writing
“Main Pacific”	Main Pacific Group Limited (萬豐集團有限公司*), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company
“Mine”	克什克騰旗大地礦業有限公司永勝礦區銅、鉬、鉛、鋅、銀礦, a copper and molybdenum mine located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC* (內蒙古自治區赤峰市克什克騰旗三義鄉永勝村經棚鎮)
“Mining Company”	克什克騰旗大地礦業有限責任公司 (Keshi Ketengqi Great Land Mine Industries Company Limited*), a company incorporated in the PRC with limited liability and is owned as to 60% by Shanghai Jiye and as to 40% by Beijing Company

“Mining License”	the mining license no. 1500000820591 held by the Mining Company under which the Mining Company shall have the right to conduct mining and exploitation works for copper and molybdenum in the Mine
“MOU”	the memorandum of understanding dated 24 March 2010 entered into by the Company and the Vendor in relation to the Acquisition
“Mr. Yang”	Mr. Yang Wen Hua (楊文華), being the sole director and shareholder of the Target Company
“PRC”	the People’s Republic of China
“Previous Acquisition”	the acquisition of the entire issued share capital of Main Pacific by the Company as announced by the Company on 11 June 2009
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 18 August 2010
“Sale Shares”	one share of US\$1 each in the issued share capital of the Target Company, representing its entire issued share capital as at the date of this announcement
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Shanghai Company”	上海躍寶商貿有限公司 (Shanghai Yue Bao Trade Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by the Shenzhen Company
“Shanghai Jiyi”	上海吉譯實業有限公司 (Shanghai Jiyi Shiye Limited Company*), a company incorporated in the PRC with limited liability and a 85% owned subsidiary of Shanghai Zhuoheng
“Shanghai Zhuoheng”	上海卓衡實業有限公司 (Shanghai Zhuoheng Shiye Limited Company*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen Dingyu

“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Consolidation”	the proposed share consolidation of every five (5) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company into one (1) Share which became effective on 12 July 2010
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Company”	東滙原科技(深圳)有限公司 (Dong Hui Yuan Technology (Shenzhen) Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by Sinowood
“Shenzhen Dingyu”	鼎裕投資諮詢(深圳)有限公司 (Dingyu Investment Consulting (Shenzhen) Limited Company*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Citigain
“Sinowood”	東滙集團有限公司* (Sinowood Holdings Limited), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company
“Star Lucky” or “Vendor”	Star Lucky Group Limited (星光集團有限公司*), the sole shareholder of the Target Company and an investment holding company incorporated in the British Virgin Islands with limited liability, being the vendor of the Acquisition under the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases of the Securities and Futures Commission of Hong Kong
“Target Company”	Universe Prosper Limited (宇昌有限公司*), a company incorporated in the British Virgins Island with limited liability and is wholly-owned by the Vendor
“Target Group”	comprising the Target Company, Sinowood, the Shenzhen Company, the Shanghai Company, the Beijing Company and the Mining Company

“Valuation”	the market value of 100% equity interest in the Mining Company of RMB741 million as at 31 March 2010 as estimated by the Valuer
“Valuation Report”	the valuation report prepared by the Valuer regarding the Valuation
“Valuer”	Roma Appraisals Limited, being the independent valuer undertaking the Valuation under the Listing Rules
“Xinyuan Mining”	克什克騰旗鑫元礦業有限責任公司 (Keshe Ketengqi Xinyuan Mining Limited Company*), a company incorporated in the PRC with limited liability
“km ² ”	square kilometer(s)
“t”	tonne(s)
“%”	per cent.

By order of the Board
China Properties Investment Holdings Limited
Xu Dong
Chairman

Hong Kong, 27 August 2010

For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00:HK\$1.142. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese names shall prevail.

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Ms. Yu Wai Fong, 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