
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your securities in China Properties Investment Holdings Limited (the “Company”), you should at once hand the Prospectus Documents (as defined herein) to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “Documents delivered to the Registrars of Companies” in Appendix III to this Prospectus has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Prior to or as soon as reasonably practicable after the publication of the Prospectus, the Company shall file a copy of the Prospectus with the Registrar of Companies in Bermuda pursuant to the Companies Act 1981 of Bermuda (as amended from time to time). The Securities and Futures Commission of Hong Kong, the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility for the contents of any of the Prospectus Documents. Dealings in the securities of the Company may be settled through CCASS (as defined herein) and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (as defined herein) in both their nil-paid and fully-paid forms on the Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in each of their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



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)

RIGHTS ISSUE ON THE BASIS OF THIRTY RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

**Underwriter to the Rights Issue
RADLAND INTERNATIONAL LIMITED**

Terms used in this cover page have the same meanings as defined in the Prospectus.

The last day of dealings in the Shares on a cum-rights basis commenced on Monday, 28 March 2011 and the Shares had been dealt in on an ex-rights basis from Tuesday, 29 March 2011. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 11 April 2011 to Monday, 18 April 2011 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any persons dealing in the nil-paid Rights Shares during the period from Monday, 11 April 2011 to Monday, 18 April 2011 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing to the Company, at any time prior to 4:00 p.m. on the 1st Business Day following the Acceptance Day to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed “Termination of the Underwriting Agreement” on pages 18 to 19 of this Prospectus. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on page 17 of this Prospectus being fulfilled or waived (as applicable). In the event that such conditions have not been fulfilled and/or waived in whole or in part by the Underwriter on or before Tuesday, 26 April 2011, all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

7 April 2011

* For identification purpose only

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2011
(Hong Kong time)

Record Date	Wednesday, 6 April
Register of members re-opens	Thursday, 7 April
Prospectus Documents expected to be despatched	Thursday, 7 April
First day of dealings in nil-paid Rights Shares	Monday, 11 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 13 April
Last day of dealings in nil-paid Rights Shares	Monday, 18 April
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Thursday, 21 April
Rights Issue expected to become unconditional	Tuesday, 26 April
Latest time for return of form of proxy for the Second SGM (not less than 48 hours before the Second SGM)	9:00 a.m. on Monday, 2 May
Announcement of results of acceptance and excess application of the Rights Shares	Tuesday, 3 May
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before.	Wednesday, 4 May
Certificates for the Rights Shares expected to be despatched on or before.	Wednesday, 4 May
Expected date of the Second SGM.	9:00 a.m. on Wednesday, 4 May
Announcement of results of the Second SGM to be published on the website of the Stock Exchange	Wednesday, 4 May
Dealings in fully-paid Rights Shares commence	Friday, 6 May

Notes:

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in this Prospectus for events in the expected timetable above regarding the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter, and subject to the approval by the Stock Exchange of such amendments. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing to the Company, to terminate its obligations thereunder on the occurrence of certain events including force majeure. These events are set out in the paragraph headed “Termination of the Underwriting Agreement” on pages 18 and 19 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

DEFINITIONS

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

“Acceptance Date”	Thursday, 21 April 2011 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Announcement”	the announcement of the Company dated 16 February 2011 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Branch Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Business Day”	a day (other than a Saturday, Sunday and public holidays) on which banks are generally open for business more than five hours in Hong Kong
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“CB Holder(s)”	holder(s) of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“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, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the convertible redeemable bonds in the aggregate principal amount of HK\$180,000,000 due 2013 convertible into 42,352,941 new Shares at the conversion price of HK\$4.25 per conversion share

* *For identification purpose only*

DEFINITIONS

“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“First SGM”	the special general meeting of the Company held on 28 March 2011 and passed the resolution to approve the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third parties independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	Wednesday, 16 February 2011, being the date of the Underwriting Agreement, which is a Stock Exchange trading day
“Latest Practicable Date”	31 March 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mine”	the molybdenum mine located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC
“Ms. Yu”	Ms. Yu Wai Fong, a non-executive Director

DEFINITIONS

“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Thursday, 7 April 2011 or such other date as the Underwriter may agree in writing with the Company, as the date of dispatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China (in this Prospectus excluding Hong Kong, Macau SAR and Taiwan)
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 6 April 2011 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the issue by way of rights of thirty (30) Rights Shares for every one (1) existing Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 4,974,493,440 Shares

DEFINITIONS

“Second SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the proposed refreshment of general mandate of the Company
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Option Holder(s)”	holder(s) of the Share Options
“Share Options”	the outstanding options granted under the share option scheme of the Company on 28 November 2007 to exercisable into for 282,160 new Shares
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.068 per Rights Share with nominal value of HK\$0.001 each
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Radland International Limited
“Underwriting Agreement”	the underwriting agreement dated 16 February 2011 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	4,912,977,810 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with and, subject to, the full text of the Prospectus.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	Thirty(30) Rights Shares for every one(1) existing Share held on the Record Date
Subscription Price: :	HK\$0.068 per Rights Share with nominal value of HK\$0.001 each
Number of Shares in issue as at the Latest Practicable Date:	165,816,448 Shares
Number of Rights Shares:	4,974,493,440 Rights Shares
Number of Rights Shares underwritten by the Underwriter:	Up to 4,912,977,810 Rights Shares*. Accordingly, the Rights Issue is fully underwritten.
Number of enlarged Shares in issue upon completion of the Rights Issue:	5,140,309,888 Shares
Status of the Rights Shares:	The Rights Shares, when allotted, issued and fully paid, will rank <i>pari passu</i> in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.
Rights of excess applications:	Qualifying Shareholders have the right to apply for excess Rights Shares

* *Ms. Yu, a non-executive Director, who is interested in 2,050,521 Shares, representing approximately 1.24% of the issued share capital of the Company, has undertaken to the Company that she will accept or procure the acceptance of 61,515,630 Rights Shares.*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xu Dong

Mr. Au Tat On

Non-executive Director:

Ms. Yu Wai Fong

Independent non-executive Directors:

Mr. Tse Kwong Wah

Mr. Lai Wai Yin, Wilson

Ms. Cao Jie Min

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head Office and principal
place of business:*

Room 2001, 20/F

Lippo Centre, Tower Two

89 Queensway

Hong Kong

7 April 2011

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF THIRTY RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

INTRODUCTION

On 16 February 2011, the Board announced that the Company proposed to raise approximately HK\$338.27 million, before expenses, by issuing 4,974,493,440 Rights Shares to the Qualifying Shareholders by way of Rights Issue at subscription price of HK\$0.068 per Rights Share on the basis of thirty (30) Rights Shares for every one (1) existing Share held on the Record Date.

The purpose of this Prospectus is to provide the Shareholders further details about the Rights Issue.

* For identification purpose only

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	Thirty(30) Rights Shares for every one(1) existing Share held on the Record Date
Subscription Price:	HK\$0.068 per Rights Share with nominal value of HK\$0.001 each
Number of Shares in issue as at the Latest Practicable Date:	165,816,448 Shares
Number of Rights Shares:	4,974,493,440 Rights Shares
Number of Rights Shares underwritten by the Underwriter:	Up to 4,912,977,810 Rights Shares*. Accordingly, the Rights Issue is fully underwritten.
Number of enlarged Shares in issue upon completion of the Rights Issue:	5,140,309,888 Shares

As at Latest Practicable Date, there are outstanding Convertible Bonds with an aggregate principal amount of HK\$180,000,000 convertible into 42,352,941 new Shares at the conversion price of HK\$4.25 per conversion share (subject to adjustments). The CB Holder has signed an irrevocable undertaking to the Company and pursuant to which, the CB Holder shall not exercise any of its conversion right under the outstanding Convertible Bonds up to and including the Record Date.

As at the Latest Practicable Date, there are outstanding Share Options of 282,160 exercisable into 282,160 new Shares at the exercise price of HK\$150 (subject to adjustments). The Share Option Holders have signed an irrevocable undertaking to the Company and pursuant to which, the Share Option Holders shall not exercise any of the Share Options up to and including the Record Date.

Based on the above, the number of Rights Shares that may be issued under the Rights Issue would be 4,974,493,440.

Save for the Convertible Bonds and the Share Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

* *Ms. Yu, a non-executive Director, who is interested in 2,050,521 Shares, representing approximately 1.24% of the issued share capital of the Company, has undertaken to the Company that she will accept or procure the acceptance of 61,515,630 Rights Shares.*

LETTER FROM THE BOARD

Assuming no Convertible Bonds are being converted and no Share Options are being exercised on or before the Record Date, the 4,974,493,440 nil-paid Rights Shares to be provisionally allotted represent approximately 3,000% of the Company's issued share capital as at the Latest Practicable Date and approximately 96.77% of the Company's issued share capital as enlarged by the issue of the 4,974,493,440 Rights Shares.

As at the Latest Practicable Date, the Directors have not received any information from any substantial Shareholders (there are no substantial Shareholders as at the Latest Practicable Date) of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.

Basis of provisional allotment

The basis of the provisional allotment shall be thirty (30) Rights Shares for every one (1) existing Share held on the Record Date, being 4,974,493,440 Rights Shares (assuming there is no new Shares being issued/no Shares being repurchased by the Company, no conversion on the Convertible Bonds and no exercise of the Share Options on or before the Record Date). Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company has sent (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Non-Qualifying Shareholders (if any).

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

Closure of register of members

The register of members of the Company was closed from Thursday, 31 March 2011 to Wednesday, 6 April 2011, both dates inclusive. No transfer of Shares would be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

LETTER FROM THE BOARD

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expense, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

As at the Latest Practicable Date and according to the register of members of the Company, there were three Shareholders with registered addresses in three jurisdictions outside Hong Kong, namely, the British Virgin Islands (“BVI”), the PRC and Taiwan.

The Company has made due enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholder in BVI and found that it would be lawful for the Company to offer the Rights Shares to the Shareholder with registered address in BVI, even though the Prospectus Documents will not be registered in BVI. Therefore, the Directors have decided to extend the Rights Issue to such Overseas Shareholder with registered address located in BVI as shown on the register of members of the Company as at the Record Date.

Based on the advice provided by the legal advisers on the laws of the PRC, it would be lawful for the Company to offer the Rights Shares to those Shareholders with registered addresses in the PRC, even though the Prospectus Documents will not be registered in the PRC. Therefore, the Directors have decided to extend the Rights Issue to such Overseas Shareholders with registered addresses located in the PRC as shown on the register of members of the Company as at the Record Date.

Based on the advice provided by the legal advisers on the laws of Taiwan, it would be lawful for the Company to offer the Rights Shares to those Shareholders with registered addresses in Taiwan, even though the Prospectus Documents will not be registered in Taiwan. Therefore, the Directors have decided to extend the Rights Issue to such Overseas Shareholders with registered addresses located in Taiwan as shown on the register of members of the Company as at the Record Date.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.068 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 83.61% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 13.92% to the theoretical ex-rights price of approximately HK\$0.079 per Share based on the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (c) a discount of approximately 85.22% to the average closing price of approximately HK\$0.460 per Share for the five consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 80.57% to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price and trading liquidities of the Shares prior to the Last Trading Day. The Directors consider the terms of the Rights Issue, including the Subscription Price which has been set at a deeper discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.066.

Fractions of Rights Shares (If Any)

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for topping-up odd lots holdings to whole lot holdings; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess Rights Shares based on a pro-rata basis based on the number of the excess Rights Shares applied by them, with board lots allocation to be made on a best effort basis.

There are no restrictions affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong.

LETTER FROM THE BOARD

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

The first day of dealings in the Rights Shares in their fully-paid form is expected to be Friday, 6 May 2011.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 4 May 2011. One share certificate will be issued for all the Rights Shares allotted to the applicant. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 4 May 2011 by ordinary post to the applicants at their own risk. Each successful applicant will receive the share certificate for all the fully paid Rights Shares and/or excess Rights Shares (if any) validly applied for and issued to the successful applicant.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 1,000), will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

Undertaking of Ms. Yu (a non-executive Director)

As at the Latest Practicable Date, Ms. Yu, a non-executive Director, is interested in 2,050,521 Shares, representing approximately 1.24% of the issued share capital of the Company. Ms. Yu has undertaken to the Company that she will accept or procure the acceptance of 61,515,630 Rights Shares, being the rights entitlement which will be provisionally allotted to her as the holder of 2,050,521 Shares under the Rights Issue prior to 4:00 p.m. on the Acceptance Date.

PROCEDURES FOR APPLICATION

Application for the Rights Shares

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to subscribe for the number of Rights Shares available to the Qualifying Shareholder on an assured basis subject to payment in full on application by not later than 4:00 p.m. on Thursday, 21 April 2011. Qualifying Shareholders should note that they may apply for the number of Rights Shares equal to or less than the number set out in the PAL.

If you are a Qualifying Shareholder and you wish to accept all the Rights Shares provisionally allotted to you as specified in the enclosed PAL, you must complete, sign and lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on application in respect of such number of Rights Shares you have applied for with the Branch Registrar, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Thursday, 21 April 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**China Properties Investment Holdings Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

LETTER FROM THE BOARD

It should be noted that unless the duly completed and signed PAL, together with the appropriate remittance, has been lodged with the Branch Registrar, Tricor Secretaries Limited, by not later than 4:00 p.m. on Thursday, 21 April 2011, that assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If you are a Qualifying Shareholder and you wish to accept only part of your provisional allotment of Rights Shares, or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you, or to transfer your rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 13 April 2011 with the Branch Registrar, Tricor Secretaries Limited, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Branch Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The PAL contains full information regarding the procedures to be followed if you wish to apply for a number of Rights Shares different from your assured entitlement and the procedures to transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue are not fulfilled, the application monies will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicant(s) to the applicant's address specified in the register of members of the Company or the transfer form on or before Wednesday, 4 May 2011.

Save as described under the paragraph headed "Rights of Overseas Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself/themselves before subscribing for the assured allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is the Non-Qualifying Shareholder.

LETTER FROM THE BOARD

No receipt will be issued in respect of any application monies received.

Application for excess Rights Shares

Qualifying Shareholders may apply for excess Rights Shares by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Branch Registrar, Tricor Secretaries Limited, by not later than 4:00 p.m. on Thursday, 21 April 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**China Properties Investment Holdings Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Qualifying Shareholder(s) will be notified of the allotment result of excess Rights Shares on Tuesday, 3 May 2011 by the Company by way of announcement. If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 4 May 2011. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 4 May 2011.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation.

If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

The EAF is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including refund cheques, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as appeared on the Company's register of members.

No receipt will be issued in respect of any application monies received.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled, the monies received in respect of applications for excess Rights Shares will be returned, without interest, to the applicants by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Wednesday, 4 May 2011.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the passing by the Independent Shareholders of ordinary resolution(s) to approve the Underwriting Agreement, the allotment and issue of the Rights Shares and the transactions contemplated hereunder at the First SGM;
- (b) the delivery to the Stock Exchange for authorization and the registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly certified by two Directors (or by their agents duly authorized in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Record Date or otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (c) the filing of one copy of the Prospectus Documents signed by one Director (for and on behalf of all Directors) with the Registrar of Companies in Bermuda prior to or as soon as reasonably practicable after publication of the Prospectus Documents;
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped "For information only" to the Non-Qualifying Shareholders in each case, on the 1st Business Day after the Record Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having revoked, the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings; and
- (f) if required, the Bermuda Monetary Authority granting consent to the issue of the Rights Shares on or before the Acceptance Date;

If the above conditions are not satisfied and/or waived in whole or in part by the Underwriter by 13 May 2011 or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and (save for any antecedent breach of the Underwriting Agreement and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

LETTER FROM THE BOARD

Underwriting Agreement

Date	:	16 February 2011
Underwriter	:	Radland International Limited, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties
Total number of Rights Shares	:	4,974,493,440 Rights Shares (assuming there is no new Shares being issued/no Shares being repurchased by the Company, no conversion of the Convertible Bonds and no exercise of the Share Options on or before the Record Date)
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 4,912,977,810 Rights Shares (assuming there is no new Shares being issued/no Shares being repurchased by the Company, no conversion of the Convertible Bonds and no exercise of the Share Options on or before the Record Date) subject to the terms and conditions of the Underwriting Agreement
Commission	:	3% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

The commission rate was determined after arm's length negotiations between the Company and the Underwriter by reference to the existing financial position of the Company, the size of the Rights Issue, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Underwriter at any time prior to 4:00 p.m. on the 1st Business Day following the Acceptance Date if:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the absolute opinion of the Underwriter) material in the context of the Rights Issue; or

LETTER FROM THE BOARD

- (b) there shall be:
1. any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 2. any change in local, national or international financial, political, industrial or economic conditions;
 3. any change of an exceptional nature in local, national or international equity securities or currency markets;
 4. any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 5. any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
 6. any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 7 trading days (as defined in the Listing Rules); or
 7. any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere;

which is/are, in the absolute opinion of the Underwriter:–

- (i) likely to have a material adverse effect on the business, financial position or prospects of the Company taken as a whole; or
- (ii) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (iii) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue;

If the Underwriter exercises such right, the Rights Issue will not proceed.

Upon giving any of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party thereunder shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission.

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WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares had been dealt in on an ex-rights basis from 29 March 2011. Dealings in the Rights Shares in the nil-paid form will take place from 11 April 2011 to 18 April 2011 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 11 April 2011 to 18 April 2011 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 11 April 2011 to 18 April 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company (extracted from the Disclosure of Interests forms posted on the website of the Stock Exchange) immediately before and after completion of the Rights Issue (assuming no further Shares will be issued or repurchased after the Latest Practicable Date):

	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date		All Shareholders take up all the Rights Shares		No Shareholders take up the Rights Shares (save as and except for the non-executive Director)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Ms. Yu (<i>Non-executive Director</i>) (<i>Note 1</i>)	2,050,521	1.24	63,566,151	1.24	63,566,151	1.24
The Underwriter (<i>Note 2</i>)	-	-	-	-	4,912,977,810	95.58
Public Shareholders	<u>163,765,927</u>	<u>98.76</u>	<u>5,076,743,737</u>	<u>98.76</u>	<u>163,765,927</u>	<u>3.18</u>
Total	<u>165,816,448</u>	<u>100</u>	<u>5,140,309,888</u>	<u>100</u>	<u>5,140,309,888</u>	<u>100</u>

Note:

- Ms. Yu (a non-executive Director) has undertaken to the Company that she will accept or procure the acceptance of 61,515,630 Rights Shares, being the rights entitlement which will be provisionally allotted to it as the holder of 2,050,521 Shares under the Rights Issue on the Acceptance Date;

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2. The Underwriter has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective parties acting in concert as defined in the Takeovers Code) will not own 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners are Independent Third Parties. The Underwriter has sub-underwritten its underwriting obligations as follows:–

Sub-underwriters	Sub-underwriting participation of Rights Shares
Dynasty Securities Limited	1,424,726,810
Kingston Securities Limited	1,031,726,000
Get Nice Securities Limited	1,031,726,000
Chenlong Group Limited*	178,095,000
Great Panorama International Limited*	178,095,000
Smart Jump Corporation*	178,095,000
Pearl Decade Limited*	178,095,000
Sino Wealthy Limited*	178,095,000
Dollar Group Limited*	178,095,000
Winning Horse Limited*	178,095,000
Mascotte Holdings Limited*	178,134,000
Total	<u><u>4,912,977,810</u></u>

Note: The Companies marked with "*" above, the ordinary course of businesses of which do not include underwriting.

As stipulated in the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters mentioned above is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, (i) the Underwriter will not and shall procure that the sub-underwriters will not own 30% or more of the issued share capital of the Company immediately after the Rights Issue; and (ii) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

Reasons for the Rights Issue and use of proceeds

The Group is principally engage 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 the Inner Mongolia, the PRC. As at 28 February 2011, the Company had approximately HK\$9.5 million of cash and bank balances.

The gross proceeds of the Rights Issue will be approximately HK\$338.27 million. The estimated net proceeds of the Rights Issue will be approximately HK\$326.49 million and the Company intends to apply such net proceeds from the Rights Issue as to (i) not more than HK\$180 million for the reduction of liabilities of the Company, including but not limited to the possible early redemption of the Convertible Bonds with outstanding principal amount of HK\$180 million; and (ii) the remaining for financing any future investment opportunities identified/to be identified by the Company (including but

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not limited to the possible acquisition of the oilfield in Nevada). Should the said possible acquisition is not materialized, the Company will apply those proceeds for the general corporate and working capital requirements of the Group, including but not limited to the exploitation of copper and molybdenum of a mine located in Inner Mongolia, the PRC. According to the circular of the Company dated 17 September 2010, the total estimated investment on the Mine is estimated to be approximately RMB26 million. As set forth in the paragraph headed “Financial and Trading Prospect” of this letter, the Company received proposals from independent contractors regarding the development of the Mine recently, the Board is now assessing whether the Company shall co-operate with the contractors to develop the Mine such that the costs for the development of the Mine would be minimized and the internal resources of the Company could reallocate to other potential projects. Accordingly, the Company has arranged professionals to perform study on the feasibility of the proposals provided by the independent contractors, the relevant costs amounted to not more than HK\$1 million. In the event that the proposal provided by the independent contractors unable to minimize the costs for the development of the Mine, the Company shall finance the costs of development of the Mine through its internal resources.

As at the Latest Practicable Date, the Company and the vendors are still in negotiation on the timetable for the payment of the remaining deposits. Recently, the Company received a draft foreign legal opinion from the Nevada lawyer confirming the legality on the target group structure and the preliminary reserves from the competent person report issued by a technical expert. The Company is in the process of finalizing and consolidating the materials required for disclosure purpose.

The Board considers that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and, hence the Board considers that fund raising through the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

FINANCIAL AND TRADING PROSPECT

As extracted from the interim report of the Company dated 29 November 2010, after completion of the acquisition of further 40% interest of the Mine at the total consideration of HK\$300 million, of which HK\$90 million was settled in cash and HK\$210 million by the issuance of the Convertible Bonds, the Company will effectively hold 91% of the indirect interest in the Mine. As referred to in the circular of the Company dated 17 September 2010, the Group has started the preparation work for open pit mining, ore processing and other ancillary works and completed the evaluation on the geological and hydrological environment of the Mine and it is anticipated 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 2012. Recently, the Company received proposals from independent contractors regarding the development of the Mine, the Board is now assessing whether the Company shall co-operate with the contractors to develop the Mine such that the costs for the development of the Mine would be minimized and the internal resources of the Company could reallocate to other potential projects. In the event that the Company decides to engage a contractor for the development of the Mine, the Company shall publish an announcement to inform the Shareholders on the status of the development of the Mine. In view of the 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 Company hence considers that it is beneficial for the Group to penetrate further into

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the non-ferrous metals industry in order to strengthen the Group's income source. In the meantime, the Group will continue with its existing properties investment business which provide steady income source for the Group. Going forward, the Group will continue to look for other investment opportunities in any other income streams in the long run (i.e. possible acquisition of the oilfield in Nevada) so as to broaden the source of income of the Group and diversify the Group's business portfolio. As at the Latest Practicable Date, save for disclosed herein, the Company has no agreement, arrangement, understanding, intention or negotiation about acquiring any other new business.

FUND RAISING EXERCISE OF THE COMPANY

Date of announcement	Fund raising activity	Net proceeds raised (<i>approximately</i>)	Proposed use of the net proceeds	Actual use of the net proceeds
27 January 2011	Placing of New Shares	Approximately HK\$10.5 million	For early redemption of the convertible bonds as states in the announcement of the company dated 16 November 2010; and for general working capital of the Group	Used as approximately HK\$1 million for professional fees and working capital and the remaining balance is held as deposit at bank
20 September 2010/ 25 November 2010	Placing of convertible bonds	Approximately HK\$96.5 million	For financing the possible acquisition as set out in the Company's announcement dated 21 June 2010 and general working capital and for early redemption part of the convertible bonds set out in the Company's announcement dated 25 November 2010	Used as intended
6 September 2010	New share placing	Approximately HK\$19.4 million	For the development of the Mine as set out in the Company's announcement dated 27 August 2010 and/or general working capital of the Group	Used as intended
5 August 2010	Top-up placing and new share placing	Approximately HK\$20.3 million	For the possible acquisition set out in the Company's announcement dated 24 March 2010 if the same shall materialize and for general working capital	Used as intended

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Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
14 June 2010	Top-up Subscription	Approximately HK\$18.8 million	For the possible acquisition set out in the Company's announcement dated 24 March 2010 if the same shall materialize and for general working capital	Used as intended
27 May 2010	Top-up Subscription of new shares	Approximately HK\$26.6 million	For the possible acquisition set out in the Company's announcement dated 24 March 2010 and for general working capital	Used as intended
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

Save for the above, the Company has not conducted any other fund raising exercise in the past twelve months immediately preceding the Latest Practicable Date.

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, the conversion price of the Convertible Bonds and the exercise price and the number of Shares to be issued pursuant to the outstanding Share Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the share option scheme of the Company and the Listing Rules or guidelines issued by the Stock Exchange from time to time. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Convertible Bonds and the outstanding Share Options and will inform the CB Holders and the holders of the outstanding Share Options of the adjustments, if any, accordingly. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Group for the year ended 31 March 2008, 31 March 2009 and 31 March 2010, including the notes thereto, have been published in the annual reports of the Company for the year ended 31 March 2008 (pages 25 to 115), 31 March 2009 (pages 21 to 80) and 31 March 2010 (pages 24 to 108) respectively, which are incorporated by reference into this Prospectus. The said annual reports of the Company are available on the Company's website at www.736.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2010 together with the relevant notes to the accounts are disclosed in the interim report of the Company dated 29 November 2010 (page 2 to 33), which are incorporated by reference into this Prospectus. The said interim report of the Company is available on the Company's website at www.736.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

The financial information regarding the very substantial acquisition announced by the Company on 27 August 2010 has been detailed in the circular of the Company dated 17 September 2010, which is available on the Company's website at www.736.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2011, being the latest practicable date for the purpose of ascertaining certain information relating to this indebtedness statement prior to the printing of this Prospectus, the Group had total outstanding borrowings of approximately of HK\$64,535,000 (equivalent to RMB55,500,000), which comprised secured bank loans of approximately HK\$64,535,000 (equivalent to RMB55,500,000). The secured bank loans were secured by the investment properties of the Group of approximately HK\$222,947,000 as at the valuation dated 30 September 2010.

Save for the aforesaid and the Convertible Bonds, the Group did not have any other borrowings or indebtedness in the nature of borrowing of the Group including mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, or any guarantees, or other material contingent liabilities outstanding.

For the purpose of this indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximately rates of exchange prevailing as at 28 February 2011.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 28 February 2011.

WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the net proceeds from the Rights Issue and the financial resources available to the Group (including internally generated fund and the available banking facilities), the Group will have sufficient working capital for its present requirements for a period of 12 months from the date of this Prospectus.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010, being the date to which the latest published audited consolidated accounts of the Group were made up.

**CCIF****CCIF CPA LIMITED**34/F The Lee Gardens
33 Hysan Avenue
Causeway Bay Hong Kong

The Board of Directors
China Properties Investment Holdings Limited
Room 2001, 20/F
Lippo Centre, Tower Two
89 Queensway Road
Hong Kong

7 April 2011

Dear Sirs

We report on the unaudited pro forma adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of China Properties Investment Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), set out in Appendix II to the prospectus dated 7 April 2011 (the “Prospectus”) in connection with the rights issue on the basis of thirty rights shares for every one existing share (the “Rights Issue”). The unaudited pro forma financial information on the Group has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Rights Issue might have affected the consolidated net tangible assets of the Group as if the Rights Issue had been taken place at 30 September 2010. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING
ACCOUNTANTS**

It is responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard in Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 September 2010 or any future dates.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

CCIF CPA Limited

Certified Public Accountants

Hong Kong

Alvin Yeung Sik Hung

Practising Certificate Number P05206

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity owners of the Company which has been prepared for the purpose of illustrating the effect of the Rights Issue as if it had been taken place on 30 September 2010 which is based on the unaudited consolidated net assets of the Group as at 30 September 2010, which has been extracted from the Interim Report 2010 of the Group, and adjusted as follows:

Unaudited consolidated net assets of the Group attributable to the equity owners of the Company as at 30 September 2010 RMB'000 (Note a)	Less: Intangible assets RMB'000	Unaudited consolidated net tangible assets of the Group attributable to the equity owners of the Company as at 30 September 2010 RMB'000	Estimated net proceeds from the Rights Issue RMB'000 (Note b)	Unaudited pro forma adjusted consolidated net tangible assets RMB'000	Unaudited Consolidated net tangible assets per Share before Rights Issue RMB (Note c)	Unaudited pro forma adjusted consolidated net tangible assets per Share after Rights Issue RMB (Note d)
762,591	(499,398)	263,193	280,784	543,977	1.59	0.11

The statement is prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the actual financial position of the Group after the completion of the Rights Issue.

Notes:

- a) The unaudited consolidated net assets of the Group attributable to the equity owners of the Company as at 30 September 2010 is extracted from the Condensed Consolidated Statement of Financial Position as contained in the Interim Report 2010 of the Group.
- b) The estimated net proceeds from the Rights Issue are based on the Subscription Price of HK\$0.068 per Rights Share and 4,974,493,440 Rights Shares will be issued, after deduction of the underwriting commission and other related expenses payable by the Company of approximately HK\$11,772,000 (equivalent to RMB10,124,000).
- c) The unaudited consolidated net tangible assets per share before Rights Issue is arrived based on 165,816,448 Shares in issue as at the Latest Practicable Date.
- d) The unaudited pro-forma adjusted consolidated net tangible assets per Share after Rights Issue is arrived based on a total of 5,140,309,888 Shares, which represents 165,816,448 Shares in issue as at the Latest Practicable Date and adjusted for 4,974,493,440 Rights Shares expected to be issued immediately after the completion of the Rights Issue.
- e) The estimated net proceeds from the Rights Issue translated at the exchange rate of RMB0.86 to HK\$1.

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorized and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue are as follows:

<i>Authorized</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares as at the Latest Practicable Date	<u>10,000,000</u>

Assuming no new Shares being issued/no Shares being repurchased by the Company, no conversion of the Convertible Bonds and no exercise of the Share Options on or before the Record Date:

<i>Issued and to be issued:</i>		<i>HK\$</i>
165,816,448	Shares in issue as at the Latest Practicable Date	165,816.45
<u>4,974,493,440</u>	Rights Shares to be issued	<u>4,974,493.44</u>
<u>5,140,309,888</u>		<u>5,140,309.89</u>

All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save for the Convertible Bonds and Share Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted, except for the Rights Shares, the Share Options and the Convertible Bonds.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company or their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

The Company:

Name of Directors	Number of Shares held			Total
	Personal Interests	Corporate Interest	Other Interests	
Ms. Yu Wai Fong (<i>Non-executive Director</i>)	2,050,521	–	–	2,050,521

Long positions in the underlying Shares of the Share Options

Name of Director	Date of grant of the Share Options	Exercise periods of the Share Options	Exercise price per Share	Number of Share Options outstanding	Number of total underlying Shares
Ms. Yu Wai Fong	28 November 2007	28 November 2007 to 3 October 2012	HK\$150	70,540	70,540
Mr. Au Tat On	28 November 2007	28 November 2007 to 3 October 2012	HK\$150	70,540	70,540

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other person or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long position in Shares of the Company

Name	Capacity of Shares held	No. of Shares held	Percentage of issued share capital
Star Lucky Group Limited (Note 1)	Beneficial owner	42,352,941	25.54%
Yang Wenhua (Note 2)	Interest of a control corporation	42,352,941	25.54%

Notes:

- As at the Latest Practicable Date, Star Lucky Group Limited was the holder of the Convertible Bonds.
- Star Lucky Group Limited is wholly-owned by Mr. Yang Wenhua who is deemed to be interested in 42,352,941 underlying Shares.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 March 2010 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business apart from the Group's business which completes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to Rule 8.10 of the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, save as disclosed below, no member of the Group was engaged in any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group:

In 1998, the Company brought legal proceedings against ASG Capital Limited and ASG Brokerage Limited (the "**Defendants**") for breach of the placing and underwriting agreement dated 9 December 1997 in which the Defendants failed to fulfil their underwriting obligations thereunder and for the recovery of HK\$40 million being the economic loss suffered by the Company together with interest and legal cost. The proceedings are now in pre-trial stage of discovery of documents of the parties and the date of the trial has not been fixed. The last action of the parties to the proceedings took place in middle of 2005 when solicitors acting for the Company in the legal proceedings served a notice to inspect documents to those acting for the Defendants.

In 2008, Shanghai Xiang Chen Hang Place The Industry Co. Limited ("**Shanghai Xiang Chen Hang**"), a wholly-owned subsidiary of the Company, brought legal proceedings against Shanghai Xu Hui (a third party independent of Shanghai Xian Chen Hang and the Company) for refund of the deposit of RMB15,044,347 (the "**Deposit**") paid by Shanghai Xian Chen Hang together with the accrued interests at an interest rate of 5% per annum (the "**Accrued Interests**") under the agreement dated 10 July 2007 between Shanghai Xiang Chen Hang and Shanghai Xu Hui.

On 17 November 2008, Shanghai Xiang Chen Hang and Shanghai Xu Hui entered into a settlement agreement before 上海徐匯區人民法院 (Shanghai Xu Hui District Court) for refund of the Deposits and Accrued Interests (collectively the "**Outstanding Amounts**") on or before 24 November 2008.

On 1 December 2008, Shanghai Xiang Chen Hang and Shanghai Xu Hui entered into a repayment agreement pursuant to which Shanghai Xu Hui shall repay the Outstanding Amounts in four instalments for the period between 5 December 2008 and 31 March 2009. As represented by the Company, Shanghai Xu Hui has repaid an amount of RMB1,000,000. Shanghai Xiang Chen Hang and Shanghai Xu Hui in the course of negotiation of the repayment of the balance of the Outstanding Amounts.

8. SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with any member of the Group which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which are contained in this Prospectus:

Name	Qualification
CCIF CPA Limited	Certified Public Accountants

CCIF CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letters, references to its name and/or its advice in the form and context in which they respectively appear.

10. EXPERT'S INTERESTS IN ASSETS

As at the Latest Practicable Date, CCIF CPA Limited:

- (a) was not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2010, being the date to which the latest published audited consolidated accounts of the Group were made up; and
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal office of the Company is situated at Room 2001, 20/F, Lippo Centre, Tower Two, 89 Queensway, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Yip Yuk Sing. Mr. Yip was appointed as the company secretary of the Company in May 2008. He is also the chief financial officer of the Company. Mr. Yip has extensive experience in accounting and financial management. Prior to joining the Company, Mr. Yip served as the financial controller and company secretary of a Hong Kong listed company. He holds a bachelor's degree in Accounting and a Master degree in Corporate Finance. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts in the case of inconsistency.

12. MATERIAL CONTRACTS

The Group had entered into the following contracts within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date which are contracts not being in the ordinary course of business of the Company or may be material:

- (a) The placing and subscription agreement dated 20 May 2009 and the supplemental agreement dated 22 May 2009 entered into between Ms. Yu as vendor and Get Nice Securities Limited as placing agent, and the Company and Ms. Yu respectively in relation to (i) the placing of 350,000,000 shares of the Company at the placing price of HK\$0.133 per placing share to not less than six independent placees; and (ii) the subscription by Ms. Yu and the allotment and issue by the Company of 350,000,000 shares of the Company at a price of HK\$0.133 per subscription share, further details of which are set out in the announcements of the Company dated 21 May 2009 and 22 May 2009.
- (b) The sale and purchase agreement dated 4 June 2009 entered into among Gold Trinity International Limited as vendor, the Company as purchaser and Mr. Han Wei as guarantor, pursuant to which the Company conditionally agreed to purchase and Gold Trinity International Limited conditionally agreed to sell the entire issued share capital of Main Pacific Group Limited at the consideration of HK\$300 million, further details of which are set out in the announcement of the Company dated 11 June 2009.
- (c) The conditional sale and purchase agreement dated 22 June 2009 entered into among the purchasers and Shanghai Xiang Chen Hang Place The Industry Co. Limited, a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Group, as vendor in relation to the sale and purchase of the whole of basement level one and ground level of the commercial unit situated at Nos. 277 and 289 Lan Xi Road, Putuo District, Shanghai, the PRC at the consideration of RMB40 million.
- (d) The placing and subscription agreement dated 6 July 2009 entered into between Ms. Yu as vendor and Get Nice Securities Limited as placing agent, and the Company and Ms. Yu respectively in relation to (i) the placing of 412,600,000 shares of the Company at the placing price of HK\$0.09 per placing share to not less than six independent placees; and (ii) the subscription by Ms. Yu and the allotment and issue by the Company of 412,400,000 shares of the Company at a price of HK\$0.09 per subscription share, further details of which are set out in the announcement of the Company dated 6 July 2009.
- (e) The memorandum of understanding dated 14 August 2009 entered into between the Company as purchaser and the vendors in relation to a possible acquisition of the entire interest in World Petroleum Inc. at a consideration that will be determined by reference to a relevant valuation report, further details of which are set out in the announcement of the Company dated 18 August 2009.

- (f) The placing agreement entered into on 15 August 2009 between the Company and Cheong Lee Securities Limited as placing agent, under which the Company has agreed to issue and the placing agent has agreed to place convertible bonds of up to an aggregate principal amount of HK\$600,000,000 with not less than six independent placees at the conversion price of HK\$0.118 per conversion share, further details of which are set out in the announcement of the Company dated 18 August 2009.
- (g) The memorandum of understanding dated 24 March 2010 (the “**Mine MOU**”) entered into between the Company as purchaser and Star Lucky Group Limited as vendor, in relation to a possible acquisition of the entire interest in Sinowood Holdings Limited at a consideration to be determined by reference to the valuation of the mines located in the Inner Mongolia, the PRC, further details of which are set out in the announcement of the Company dated 24 March 2010.
- (h) (i) The top-up placing agreement dated 26 March 2010 entered into among Ms. Yu as vendor, Cheong Lee Securities Limited as placing agent and the Company whereby the placing agent agreed to place up to 510,000,000 shares of the Company at a price of HK\$0.084 per top-up placing share to not less than six independent placees; (ii) the subscription agreement dated 26 March 2010 whereby Ms. Yu agreed to subscribe for and the Company will issue to Ms. Yu such number of shares of the Company as is equal to the number of top-up placing shares successfully placed by the placing agent pursuant to the top-up placing on the same date at a subscription price of HK\$0.084 per subscription share; (iii) the new share placing agreement dated 26 March 2010 whereby Cheong Lee Securities Limited as placing agent agreed to place up to 90,000,000 new shares of the Company to not less than six independent placees at a price of HK\$0.084 per new placing share, further details of all of which are set out in the announcement of the Company dated 26 March 2010.
- (i) The addendum to the Mine MOU dated 8 April 2010 entered into between the Company as purchaser and Star Lucky Group Limited as vendor whereby the vendor agreed to repay the deposit paid by the purchaser (i) if the parties shall fail to execute any definitive agreement for the transfer of Sinowood Holdings Limited under the memorandum of understanding or fail to continue negotiations on the transfer on or before 23 June 2010; (ii) or if there is any material breach of the warranties and/or terms of the memorandum of understanding by the vendor; or (iii) if the results of the due diligence review conducted by the purchaser are not satisfactory to the purchaser, further details of which are set out in the announcement of the Company dated 8 April 2010.
- (j) (i) The placing agreement dated 27 May 2010 entered into among Ms. Yu as vendor, Cheong Lee Securities Limited as placing agent and the Company whereby the placing agent agreed to place and the vendor agreed to sell up to 500,000,000 shares of the Company to not less than six independent placees at the price of HK\$0.055 per placing share; and (ii) the subscription agreement dated 27 May 2010 whereby Ms. Yu agreed to subscribe for and the Company will issue such number of shares to Ms. Yu as is equal to the number of placing shares successfully placed by the placing agent pursuant to the placing agreement at the price of HK\$0.055 per subscription share, further details of which are set out in the announcement of the Company dated 27 May 2010.

- (k) (i) The placing agreement dated 14 June 2010 entered into among Ms. Yu as vendor, Cheong Lee Securities Limited as placing agent and the Company whereby the placing agent agreed to place and the vendor agreed to sell up to 500,000,000 shares of the Company to not less than six independent placees at the price of HK\$0.039 per placing share; and (ii) the subscription agreement dated 14 June 2010 whereby Ms. Yu agreed to subscribe for and the Company will issue such number of shares of the Company to Ms. Yu as is equal to the number of placing shares successfully placed by the placing agent pursuant to the placing agreement at the price of HK\$0.039 per subscription share, further details of which are set out in the announcement of the Company dated 14 June 2010.
- (l) The letter of confirmation dated 19 June 2010 signed between Cheong Lee Securities Limited as placing agent and the Company whereby the date of fulfillment of the conditions precedent under the placing agreement dated 15 August 2009 shall be extended from 20 June 2010 to 20 December 2010 and the conversion price shall be amended from HK\$0.118 per conversion share to the average price of the shares of the Company for the five trading days immediately following the date of despatch of the circular or the par value of the shares of the Company, whichever is higher, further details of which are set out in the announcement of the Company dated 21 June 2010.
- (m) The memorandum of understanding (“**Oilfield MOU**”) dated 21 June 2010 entered into between the Company as purchaser and the vendors in relation to a possible acquisition of the entire interest in Pure Power Holdings Limited, a company incorporated in the British Virgin Islands with the net proceeds raised from the placing of the convertible bonds pursuant to the placing agreement dated 15 August 2009, thus effecting a change in the use of the proceeds from the placing of the convertible bonds, further details of which are set out in the announcement of the Company dated 21 June 2010.
- (n) The confirmation letter dated 22 June 2010 entered into between Star Lucky Group Limited as vendor and the Company as purchaser whereby the parties agreed that the term of the Mine MOU and the respective addendum shall be extended to 24 September 2010, further details of which are set out in the announcement of the Company dated 22 June 2010.
- (o) (i) The top-up placing agreement dated 5 August 2010 entered into among Ms. Yu as vendor, Cheong Lee Securities Limited as placing agent and the Company whereby the placing agent agreed to place and the vendor agreed to sell up to 100,000,000 shares of the Company to not less than six independent placees at a price of HK\$0.076 per placing share; (ii) the subscription agreement dated 5 August 2010 whereby Ms. Yu conditionally agreed to subscribe for and the Company agreed to issue such number of shares of the Company to Ms. Yu as is equal to the number of top-up placing shares successfully placed by the placing agent pursuant to the top-up placing agreement at the price of HK\$0.076 per subscription share; and (iii) the new shares placing agreement dated 5 August 2010 entered into between the placing agent and the Company whereby the placing agent agreed to place up to 180,000,000 new Shares at a price of HK\$0.076 per placing share, further details of which are set out in the announcement of the Company dated 5 August 2010.

- (p) The conditional sale and purchase agreement dated 18 August 2010 entered into among the Company as purchaser, Star Lucky Group Limited as vendor and Mr. Yang Wenhua as guarantor in relation to a possible acquisition of the entire interest in Sinowood Holdings Limited at a consideration of HK\$300,000,000, further details of which are set out in the announcement of the Company dated 27 August 2010.
- (q) The placing agreement dated 6 September 2010 entered into between the Company and Cheong Lee Securities Limited as the placing agent whereby the placing agent agreed to place up to 360,000,000 new Shares to not less than six independent placees at a placing price of HK\$0.056 per placing share, further details of which are set out in the announcement of the Company dated 6 September 2010.
- (r) The supplemental agreement dated 8 September 2010, which is supplemental to the sale and purchase agreement dated 18 August 2010, entered among the Company as purchaser, Star Lucky Group Limited as vendor and Mr. Yang Wenhua as guarantor, in relation to the provision of a loan with a principal amount of RMB27 million (the “**Loan**”) by Mr. Yang Wenhua to 北京海創天元貿易有限公司 (Beijing Hai Chong Tianyuan Trading Co., Ltd.*), and the unconditional assignment of the Loan by Mr. Yang Wenhua to the purchaser at nil consideration, further details of which are set out in the announcement of the Company dated 8 September 2010.
- (s) The loan assignment agreement dated 9 September 2010 entered into between Mr. Yang Wenhua and the Company whereby Mr. Yang Wenhua agreed to assign the Loan due from 北京海創天元貿易有限公司 (Beijing Hai Chong Tianyuan Trading Co., Ltd.*) to the Company at nil consideration, as signed and acknowledged by 北京海創天元貿易有限公司 (Beijing Hai Chong Tianyuan Trading Co., Ltd.*).
- (t) (i) The placing agreement dated 20 September 2010 entered into between the Company and Cheong Lee Securities Limited as placing agent in relation to the proposed placing of convertible bonds of up to an aggregate principal amount of HK\$100,000,000; and (ii) the termination agreement dated 20 September 2010 entered into between the Company and Cheong Lee Securities Limited to terminate the previous placing agreement dated 15 August 2009, further details of which are set out in the announcement of the Company dated 20 September 2010.
- (u) The supplemental memorandum of understanding to the Oilfield MOU dated 20 September 2010 entered into among the Company as purchaser and the vendors in relation to the extension of the term of the Oilfield MOU, further details of which are set out in the announcement of the Company dated 21 September 2010.
- (v) The placing agreement dated 27 January 2011 entered into between the Company and Pico Zeman Securities (HK) Limited as the placing agent whereby the placing agent agreed to place up to 27,000,000 new Shares to not less than six independent placees at a placing price of HK\$0.405 per placing share, further details of which are set out in the announcement of the Company dated 27 January 2011.

* For identification purpose only

- (w) The underwriting agreement dated 16 February 2011 entered into between the Company and Radland International Limited as underwriter in relation to the Rights Issue as announced in the announcement dated 16 February 2011 of the Company.
- (x) The supplemental memorandum of understanding to the Oilfield MOU dated 24 March 2011 entered into among the Company as purchaser and the vendors in relation to the extension of the term of the Oilfield MOU, further details of which are set out in the announcement of the Company dated 24 March 2011.

13. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Head office and principal place of business in Hong Kong	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Authorised representatives	Ms. Yu Wai Fong Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong Mr. Yip Yuk Sing Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Company secretary	Mr. Yip Yuk Sing Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Legal advisers	As to Hong Kong Law Angela Ho & Associates 1106, Tower 1, Lippo Centre, 89 Queensway, Hong Kong

	As to Bermuda Law Conyers Dill & Pearman 2901 One Exchange Square, 8 Connaught Place Central Hong Kong
Auditors and reporting accountants	CCIF CPA Limited 34/F The Lee Gardens 33 Hysan Avenue Causeway Bay Hong Kong
Underwriter	Radland International Limited 26/F., China United Centre, 28 Marble Road, North Point, Hong Kong
Principal share registrar and transfer office in Bermuda	HSBC Bank Bermuda Limited 6 Front Street Hamilton HM11 Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Secretaries Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Principal banker(s)	ICBC (Asia) 33/F., ICBC Tower 3 Garden Road Central Hong Kong Wing Lung Bank Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong

14. EXPENSES

The expenses in connection with the Right Issue, including financial advisory fees, underwriting commission (based on the scenario that 4,912,977,810 Underwritten Shares is issued), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$11.77 million, which are payable by the Company.

15. PARTICULARS OF DIRECTORS**(a) Names and addresses of Directors**

Name	Address
<i>Executive Directors</i>	
Mr. Xu Dong (<i>Chairman</i>)	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Mr. Au Tat On	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
<i>Non-Executive Director</i>	
Ms. Yu Wai Fong	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Lai Wai Yin, Wilson	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Ms. Cao Jie Min	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong
Mr. Tse Kwong Wah	Room 2001, 20/F. Lippo Centre, Tower Two 89 Queensway Road Hong Kong

(b) Profiles of Directors***Executive Directors******Mr. Xu Dong (Chairman)***

Mr. Xu Dong, aged 32, was appointed as an executive Director of the Company in May 2010. Mr. Xu holds a Bachelor's degree in Japanese from Shanghai International Studies University. Mr. Xu has extensive experience in business investment and management of mineral corporations. He is responsible for overall management, strategic planning and business development of the Group.

Mr. Au Tat On

Mr. Au Tat On, aged 54, was appointed as an executive Director of the Company in May 2006. Mr. Au received a bachelor's degree in business administration from Chu Hai College in 1989 and has nearly 28-year experience in banking operations and financing. He is responsible for the general management of the Group.

Non-executive Director***Ms. Yu Wai Fong***

Ms. Yu Wai Fong, aged 47, was appointed as the chairman, executive Director and chief executive officer of the Company in March 2009. Ms. Yu has extensive experience in corporate management, corporate finance, mergers and acquisitions. She is responsible for strategic planning and business development of the Group.

Independent non-executive Directors***Mr. Lai Wai Yin, Wilson***

Mr. Lai Wai Yin, Wilson, aged 45, was appointed as an independent non-executive Director, member of audit committee and member of remuneration and nomination committee of the Company in April 2009. Mr. Lai is a fellow member of the Association of International Accountants, United Kingdom and a practising member of the Hong Kong Institute of Certified Public Accountants. He graduated from Hong Kong Shue Yan University majoring in accounting. During the 20 years in the audit profession, Mr. Lai gained extensive experience in the audits of Hong Kong listed companies and multinational companies engaged in manufacturing, construction, property investment and software development businesses as well as audits of US Securities and Future Commission regulated clients. In addition, he had involved in many initial public offering projects and due diligence works in the PRC, Hong Kong, Singapore and the United States. He is currently the sole proprietor of Wilson W.Y. Lai & Co., Certified Public Accountants.

Ms. Cao Jie Min

Ms. Cao Jie Min, aged 25, was appointed as an independent non-executive Director, member of audit committee and member of remuneration and nomination committee of the Company in May 2009. Ms. Cao holds a bachelor of laws in international economy degree from Shanghai Institute of Foreign Trade. Ms. Cao currently holds a practicing certificate issued by the Ministry of Justice P.R.C. She is currently working in the international settlement department of the Bank of Tokyo – Mitsubishi UFJ (Shanghai branch).

Mr. Tse Kwong Wah

Mr. Tse, aged 38, graduated from Concordia University, Canada with a Bachelor of Arts degree majoring in applied mathematics in 1998. Mr. Tse also obtained certificate programme on business management and import/export & logistics practices from Hong Kong Baptist University and The Hong Kong Management Association respectively in 2001 and 2010. Mr. Tse has over 10 years of working experience in the area of marketing, merchandising and management.

(c) Profile of senior management staff of the Company*Mr. Hon Wei*

Mr. Hon Wei, aged 39, was appointed as the director and authorised representative of Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company, in December 2008. He is also the director and authorized representative of certain indirect wholly owned subsidiaries of the Company. Mr. Hon has extensive experience in banking and business management. Prior to his appointment, Mr. Hon served as the general manager of an investment company in Shanghai for about five years and served as a manager of Bank of Shanghai.

16. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and the EAF and the written consent referred to in the paragraphs headed “Expert and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies Ordinance. A copy of this Prospectus, will be filed with the Registrar of Companies in Bermuda, prior to or as soon as reasonably practicable after publication of the Prospectus as required by the Companies Act 1981 of Bermuda (as amended from time to time).

17. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Room 2001, 20/F, Lippo Centre, Tower Two, 89 Queensway Road, Hong Kong during normal business hours on any weekday other than public holidays, up to and including the Acceptance Date:

- (a) the memorandum of association and Bye-Laws of the Company;
- (b) the annual reports of the Company for the financial years ended 31 March 2008, 2009 and 2010 and interim report of the Company for the six months ended 30 September 2010;
- (c) the written consent referred to in the paragraph headed “Expert and Consent” to this Appendix;
- (d) the material contracts referred to in the paragraph headed “Material Contracts” to this Appendix;
- (e) the unaudited pro-forma financial information of the Group as set out in Appendix II to this Prospectus;
- (f) a copy of each of the circulars issued by the Company pursuant to the requirements set out in Chapter 14 and/ or 14A of the Listing Rules since 31 March 2010, being the date of the latest published audited accounts of the Company; and
- (g) this Prospectus.