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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED
中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 736)

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
(II) RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR
TWO EXISTING SHARES HELD
ON THE RECORD DATE
AND
(III) RESUMPTION OF TRADING

Underwriter to the Rights Issue



天行聯合證券有限公司
United Simsen Securities Limited

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to facilitate the Rights Issue and provide for the future expansion in the share capital of the Company, the Board proposes that, subject to the condition set out below, the authorised share capital of the Company be increased from HK\$10,000,000 to HK\$90,000,000 by the creation of such number of Shares or part thereof so that the increased authorised share capital would be HK\$90,000,000 divided into 3,000,000,000 Shares of par value of HK\$0.03 each.

The Capital Increase will be conditional upon the passing by the Shareholders of an ordinary resolution approving the Capital Increase at the SGM.

RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$10.017 million and not more than approximately HK\$10.018 million, before expenses, by issuing not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares to the Qualifying Shareholders by way of the Rights Issue at subscription price of HK\$0.068 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date.

The Company intends to apply the net proceeds from the Rights Issue for the general corporate and working capital requirements of the Group.

The Record Date is Thursday, 9 August 2012. The last day of dealings in the Shares on cum-rights basis is Monday, 30 July 2012. The Shares will be dealt in on ex-rights basis from Tuesday, 31 July 2012. To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and must not be Non-Qualifying Shareholders.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Shares could not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 2 August 2012 to Thursday, 9 August 2012, (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both nil-paid and fully-paid forms.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 25 July 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 July 2012.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to facilitate the Rights Issue and provide for the future expansion of the Company, the Board proposes that, subject to the condition set out below, the authorised share capital of the Company be increased from HK\$10,000,000 to HK\$90,000,000 by the creation of such number of Shares or part thereof so that the increased authorised share capital would be HK\$90,000,000 divided into 3,000,000,000 Shares of par value of HK\$0.03 each.

As at the date of this announcement, the existing authorised share capital of the Company is HK\$10,000,000 divided into 333,333,333 Shares, of which 294,610,329 Shares are in issue. Immediately after the completion of the Capital Increase and assuming no new Shares are issued or repurchased from the date of this announcement up to the SGM, the authorised share capital will be HK\$90,000,000 divided into 3,000,000,000 Shares with 294,610,329 issued Shares and 2,705,389,671 unissued Shares. The Capital Increase will be conditional upon the passing by the Shareholders of an ordinary resolution approving the Capital Increase at the SGM. No Shareholder is required to abstain from voting on such resolution at the SGM.

The Directors are of the view that the Capital Increase is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Number of Shares in issue:	294,610,329 Shares
Number of new Shares to be issued upon full exercises of the Share Options (<i>Note</i>):	48,296 Shares

Number of Rights Shares:	Not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares (assuming there is no new Shares being issued (other than the full exercises of the Share Options)/no Shares being repurchased by the Company from the date of this announcement to the Record Date).
Subscription Price:	HK\$0.068 per Rights Share with nominal value of HK\$0.03 each
Enlarged issued share capital of the Company upon completion of the Rights Issue:	Not less than 441,915,493 Shares and not more than 441,987,937 Shares

Note: As at the date of this announcement, there are outstanding Share Options conferring rights on the holders thereof to subscribe for 48,296 new Shares. The exercise price of all the Share Options is HK\$876.30 per Share with an exercise period from 28 November 2007 to 3 October 2012.

As at the date of this announcement, save for the 48,296 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.

Assuming no new Share being issued and no Share being repurchased by the Company from the date of this announcement to the Record Date, the total number of 147,305,164 new Shares represents (i) approximately 50% of the Company's existing issued share capital as at the date of this announcement; and (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 147,305,164 Rights Shares.

Assuming no new Share being issued (other than the full exercises of the Share Options) and no Share being repurchased by the Company from the date of this announcement to the Record Date, the total number of 147,329,312 new Shares represents: (i) approximately 50% of the Company's existing issued share capital as at the date of this announcement (assuming all the Share Options are exercised); and (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 147,329,312 Rights Shares.

QUALIFYING SHAREHOLDERS

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.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 August 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 2 August 2012 to Thursday, 9 August 2012, both dates inclusive. No transfer of Shares will 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.

In compliance with necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them on the Posting Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders 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 expenses, 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 benefits 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.

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 63.44% to the closing price of HK\$0.186 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 53.74% to the theoretical ex-rights price of approximately HK\$0.147 per Share based on the closing price of HK\$0.186 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 62.84% to the average closing price of approximately HK\$0.183 per Share for the five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to the recent closing prices of the Shares, the financial conditions of the Company and current market conditions. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BASIS OF PROVISIONAL ALLOTMENT

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held on Record Date, being not less than 147,305,164 Right Shares and not more than 147,329,312 Rights Shares (assuming there is no new Share being issued (other than the full exercises of the Share Options)/no Share being repurchased by the Company from the date of this announcement to 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.

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.

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.

In the event that the Company discovers certain applications may have been made with the intention to abuse the mechanism whereby preference would have been given to applications for topping up odd-lot holdings, the Company will change the allocation method for the excess Rights Shares on a fair and equitable basis.

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.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Wednesday, 1 August 2012.

SHARE CERTIFICATES AND REFUND CHEQUES FOR RIGHTS ISSUE

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 Monday, 3 September 2012. 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 Monday, 3 September 2012 by ordinary post to the applicants at their own risk.

APPLICATION FOR LISTING

The Company will apply 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.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 3,000), which are registered in the branch register of members of the Company in Hong Kong 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.

CONDITIONS OF THE RIGHTS ISSUE

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

- (a) the completion of the Capital Increase;
- (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 authorised 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;
- (f) if required, the Bermuda Monetary Authority granting consent to the issue of the Rights Shares on or before the Acceptance Date;
- (g) compliance with and performance of all the undertakings and obligations of the Company in accordance with the terms of the Underwriting Agreement; and
- (h) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time For Termination.

If the above conditions are not satisfied and/or waived in whole or in part by the Underwriter by 30 September 2012 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.

THE UNDERWRITING AGREEMENT

Date : 24 July 2012

Underwriter : United Simsen Securities Limited

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its ultimate beneficial owners are Independent Third Parties

Total number of Rights Shares : not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares (assuming there is no new Shares being issued (other than the full exercises of the Share Options)/no Shares being repurchased by the Company from the date of this announcement to 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 not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares (assuming there is no new Shares being issued (other than the full exercises of the Share Options)/no Shares being repurchased by the Company from the date of this announcement to the Record Date) subject to the terms and conditions of the Underwriting Agreement
Commission	:	3.0% of the aggregate Subscription Price of the 147,329,312 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 fair and reasonable so far as the Company and the Shareholders are concerned.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (a) (1) there is any change or prospective change (whether or not permanent) in the business or in the financial or trading position or prospects of the Company or any other member of the Group; or
- (2) any event or series of events resulting or representing or likely to result in any change or development (whether or not permanent) in local, national, regional or international financial, political, industrial, economic, currency, military, conflict-related, legal, fiscal, exchange control, regulatory conditions or any monetary or trading settlement system (including but not limited to a change in the system under which the value of the Hong Kong currency or Renminbi is linked to that of the currency of the United States), equity or other financial market or other conditions, circumstances or matters shall have occurred, happened or come into effect; or
- (3) any relevant new law, regulations, decree or change (whether or not forming part of a series of changes) in existing laws or any change in the interpretation or application thereof by any court or Governmental Authority in Hong Kong, Bermuda, the PRC, the United States, European Union or in other jurisdiction which the Group operates

or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the Group shall have been introduced or effected (each a “**Relevant Jurisdiction**”); or

- (4) a change or development occurs involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in Hong Kong, Bermuda, the PRC, the United States, the European Union (or any member thereof), or any Relevant Jurisdiction; or
- (5) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by the United States, the European Union (or any member thereof) or any other country or organisation in any Relevant Jurisdiction; or
- (6) any event, or series of events, beyond the control of the Underwriter (including without limitation, any acts of God, acts of government, large scale labour disputes, acts or threats of war, riots, public disorder, civil commotion, fire, flooding, explosion, outbreak of diseases or epidemic (including but not limited to severe acute respiratory syndrome and H5N1, avian flu, influenza A (H1Na) (swine flu) and such related or mutated forms), terrorism, strikes or lockouts) or extensive interruption or delay in transportation, economic sanction and any declaration of a national or international emergency or war shall have occurred, happened or come into effect in any Relevant Jurisdiction; or
- (7) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any Relevant Jurisdiction; or
- (8) the imposition or declaration of (i) any suspension or material limitation on dealings in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, New York Stock Exchange, Inc., London Stock Exchange plc or any other major international stock exchange or (ii) any moratorium on banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting Hong Kong, the PRC, New York, London or any other jurisdiction; or
- (9) any change or deterioration in the conditions of local, national or international securities markets occurs; or
- (10) a demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (11) any litigation or claim of any third party being instigated against any member of the Group; or

- (12) any loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (13) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (14) approval by the Listing Committee of the listing of, and permission to deal in, the Rights Shares to be issued or sold under the Rights Issue is refused or not granted, other than subject to customary conditions, prior to the Latest Time For Termination, to terminate the Underwriting Agreement, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld,

which in the sole and absolute opinion of the Underwriter:

- (i) is or will or may individually or in aggregate have a material adverse effect on the business, financial, trading or other condition or prospects of the Company taken alone or the Group taken as a whole and/or, in the case of (a)(4) above, to any present or prospective shareholder in its capacity as such; or
 - (ii) has or will or may have a material adverse effect on the success of the Rights Issue; or
 - (iii) is or will or may make it impracticable, inadvisable, inexpedient or not commercially viable (i) for any material part of the Underwriting Agreement and/or the Rights Issue to be performed or implemented as envisaged or (ii) to proceed with the Rights Issue on the terms and in the manner contemplated thereunder; or
- (b) the Underwriter shall become aware of the fact that, or have cause to believe that:
- (1) any of the warranties or undertakings given by the Company pursuant to the Underwriting Agreement is untrue, inaccurate, misleading or breached in any respect when given or as repeated as determined by the Underwriter in its sole and absolute discretion;
 - (2) any statement contained in the this announcement and/or the Prospectus was or is untrue, incorrect or misleading in any respect, or any matter arises or is discovered which would, if this announcement and/or the Prospectus were to be issued at that time, constitute a material omission therefrom as determined by the Underwriter in its sole and absolute discretion; or

- (3) there has been a breach in any material respect on the part of any of the Company of any of the provisions of the Underwriting Agreement as determined by the Underwriter in its sole and absolute discretion,

then and in any such case, the Underwriter may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by the Underwriter prior to the Latest Time For Termination.

If prior to the Latest Time For Termination any such notice as referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Tuesday, 31 July 2012. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 14 August 2012 to Tuesday, 21 August 2012 (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 Tuesday, 14 August 2012 to Tuesday, 21 August 2012 (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 Tuesday, 14 August 2012 to Tuesday, 21 August 2012 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXPECTED TIMETABLE

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

2012
(Hong Kong time)

Last day of dealings in the Shares on a cum-rights basis	Monday, 30 July
First day of dealings in the Shares on an ex-rights basis	Tuesday, 31 July
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 1 August
Register of members closes (both dates inclusive)	Thursday, 2 August to Thursday, 9 August
Despatch of the circular in relation to the Capital Increase . . .	on or before Friday, 3 August
Record Date	Thursday, 9 August
Register of members re-opens	Friday, 10 August
Prospectus Documents expected to be despatch	Friday, 10 August
First day of dealings in nil-paid Rights Shares	Tuesday, 14 August
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Thursday, 16 August
Last day of dealings in nil-paid Rights Shares	Tuesday, 21 August
Expected time and date of the SGM in relation to the Capital Increase	9:30 a.m. on Wednesday, 22 August
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 24 August
Rights Issue expected to become unconditional	4:00 p.m. on Monday, 27 August
Announcement of results of acceptance and excess application of the Rights Shares	Friday, 31 August

Refund cheques in respect of wholly or partially
unsuccessful applications for excess Rights Shares
expected to be posted on or before Monday, 3 September

Despatch of certificates for fully-paid Rights Shares on or before Monday, 3 September

Dealings in fully-paid Rights Shares commence Tuesday, 4 September

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

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

The latest time for acceptance of and payment for the Rights Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 24 August 2012. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 24 August 2012. Instead the latest time for acceptance of and payment for the 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 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 does not take place on Friday, 24 August 2012, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (as extracted from the Disclosure of Interests forms posted on the website of the Stock Exchange) from the date of this announcement to immediately after completion of the Rights Issue:

- (i) Assuming there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date:

Shareholder	As at the date of this announcement		Immediately after completion of the Rights Issue			
			All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (Note)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Yu Wai Fong (the Director)	2,118,871	0.72	3,178,306	0.72	2,118,871	0.48
<i>Public Shareholders</i>						
Underwriter (Note)	–	–	–	–	147,305,164	33.33
Existing Shareholders	<u>292,491,458</u>	<u>99.28</u>	<u>438,737,187</u>	<u>99.28</u>	<u>292,491,458</u>	<u>66.19</u>
Total	<u>294,610,329</u>	<u>100</u>	<u>441,915,493</u>	<u>100</u>	<u>441,915,493</u>	<u>100</u>

- (ii) Assuming there is no new Share being issued (other than the Shares to be issued upon exercise of the Share Options) and no Share being repurchased by the Company on or before the Record Date:

Shareholder	As at the date of this announcement		After the possible full exercises of the Share Options on or before the Record Date		Immediately after completion of the Rights Issue			
					All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (Note)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Yu Wai Fong (the Director)	2,118,871	0.72	2,130,945	0.72	3,196,417	0.72	2,130,945	0.48
Au Tat On (the Director)	-	-	12,074	0.00	18,111	0.00	12,074	0.00
<i>Public Shareholders</i>								
Underwriter (Note)	-	-	-	-	-	-	147,329,312	33.33
Existing Shareholders	<u>292,491,458</u>	<u>99.28</u>	<u>292,515,606</u>	<u>99.28</u>	<u>438,773,409</u>	<u>99.28</u>	<u>292,515,606</u>	<u>66.19</u>
Total	<u>294,610,329</u>	<u>100</u>	<u>294,658,625</u>	<u>100</u>	<u>441,987,937</u>	<u>100</u>	<u>441,987,937</u>	<u>100</u>

Note: The above scenario is for illustrative purpose only and will unlikely occur.

The Underwriter has sub-underwritten its underwriting obligations under the Underwriting Agreement to a sub-underwriter such that the Underwriter (together with their respective parties acting in concert as defined in The Hong Kong Code on Takeovers and Mergers) will not own 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue and the sub-underwriter will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue. So far as the Company is aware, each of the Underwriter and the sub-underwriter (and their respective ultimate beneficial owners) is not a party acting in concert with each other. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Underwriter and the sub-underwriter and their respective ultimate beneficial owners are Independent Third Parties.

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, the Underwriter shall use its best endeavours to ensure that: (a) each of the independent placees shall be an Independent Third Party and not acting in concert with the Directors or chief executive of the Company or substantial Shareholders or their respective associates; and (b) the Underwriter shall and shall cause the sub-underwriter to procure independent placees to take up such number of Right Shares so that each of the sub-underwriter or the independent placees shall not, together with any party(ies) acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or

more of the issued share capital of the Company upon completion of the Rights Issue, as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

In addition, the Underwriter has confirmed with the Company that it has sub-underwritten 16,000,000 Rights Shares to a sub-underwriter, who are Independent Third Parties.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The gross proceeds of the Rights Issue will be not less than approximately HK\$10.017 million and not more than approximately HK\$10.018 million. The estimated net proceeds of the Rights Issue will be not less than approximately HK\$8.766 million and not more than HK\$8.768 million. The Company intends to apply such net proceeds from the Rights Issue for the general corporate and working capital requirements of the Group. The net price per Right Share shall be approximately HK\$0.059.

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. 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.

FUND RAISING EXERCISE OF THE COMPANY

Save for disclosed below, the Company has not conducted any other fund raising exercise in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds
6 January 2012	Placing of new shares under general mandate	HK\$9.14 million	(i) financing the acquisition of the oilfield in Nevada (the “ Acquisition ”) and general working capital after the completion of the Acquisition (if materialize), or financing any other acquisition opportunities identified by the Company; and (ii) the possible redemption of the convertible bonds issued by the Company.	Deposited at bank
28 September 2011	Placing of new shares under general mandate	HK\$6.88 million	(i) financing the Acquisition and general working capital after the completion of the Acquisition (if materialize), or financing any other acquisition opportunities identified by the Company; and (ii) the possible redemption of the convertible bonds issued by the Company.	Deposited at bank
15 August 2011	Placing of new Shares under general mandate	HK\$26.86 million	(i) financing the consideration for the Acquisition and the relevant required general working capital after the completion of the Acquisition (if materialize), or financing any other acquisition opportunities identified by the Company; and (ii) the possible redemption of the convertible bonds issued by the Company.	HK\$15 million was used to redeem the convertible bonds, and the remaining balance was deposited at bank

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders’ approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

ADJUSTMENT TO THE SHARE OPTIONS

In accordance with the Share Option Scheme, the Rights Issue may lead to adjustment to the number of Shares to be issued on the exercise of the Share Options and/or the exercise price payable by each Share Option holder in respect of each Share to be issued on the exercise of the Share Options. Such adjustment will be certified either by the auditors or independent financial advisers of the Company. Further announcement in respect of the said adjustment will be made as and when appropriate.

GENERAL

The Prospectus Documents setting out details of the Rights Issue is expected to be despatched to the Qualifying Shareholders on Friday, 10 August 2012 and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

A circular containing details of the Capital Increase and a notice convening the SGM will be despatched to the Shareholders on or before Friday, 3 August 2012.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 25 July 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 July 2012.

DEFINITION

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

“Acceptance Date”	Friday, 24 August 2012 (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)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are generally open for business more than five hours in Hong Kong

“Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$10,000,000 to HK\$90,000,000 by the creation of such number of Shares or part thereof so that the increased authorised share capital would be HK\$90,000,000 divided into 3,000,000,000 Shares of par value of HK\$0.03 each
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“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
“Group”	the Company and the 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 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”	24 July 2012, being the date of the Underwriting Agreement, which is a Stock Exchange trading day
“Latest Time For Termination”	4:00 p.m. on the 1st Business Day following the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Non-Qualifying Shareholders”	those Overseas Shareholders to 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, 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) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	10 August 2012 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch 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
“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”	9 August 2012 (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
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

“Rights Issue”	the issue by way of rights of one (1) Rights Share for every two (2) existing Shares 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 not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the proposed Capital Increase
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the company
“Share Options”	the outstanding Share options to subscribe for 48,296 new Shares granted to the Directors and employees of the Group pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 28 November 2007
“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\$0.03 each
“Subsidiaries”	the subsidiaries of the Company within the meaning of section 2 of the Companies Ordinance save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinance and to any unincorporated body of persons of the Company from time to time
“Underwriter”	United Simsen Securities Limited

“Underwriting Agreement”	the underwriting agreement dated 24 July 2012 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	not less than 147,305,164 Rights Shares and not more than 147,329,312 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

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

Hong Kong, 25 July 2012

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Ms. Yu Wai Fong, and the independent non-executive Directors are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah.

In case of any inconsistency, the English text of this circular shall prevail over the Chinese text.

* *For identification purposes only*