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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

PLACING OF NEW SHARES

Placing Agent

Cheong Lee Securities Limited

PLACING OF NEW SHARES

The Board announces that on 12 September 2013, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, up to 58,000,000 Placing Shares, on a best efforts basis, to not less than six Places at the Placing Price of HK\$0.14 per Placing Share. The Placing Shares represent approximately 11.79% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.55% of the issued share capital of the Company as enlarged by the Placing.

The maximum gross proceeds from the Placing will be approximately HK\$8.1 million. The maximum net proceeds from the Placing are estimated to be approximately HK\$7.8 million, which will be used as general working capital of the Group and/or for financing future investment opportunities.

Completion of the Placing is conditional upon, among others, the Listing Committee granting the listing of, and permission to deal in, the Placing Shares to be allotted and issued pursuant to the Placing.

* *for identification purpose only*

Completion of the Placing is subject to the satisfaction of all the conditions specified in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

PLACING

The Board announces that on 12 September 2013, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, up to 58,000,000 Placing Shares, on a best efforts basis, to not less than six Placees. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the Placing. If any of the Placees shall become a substantial shareholder of the Company upon the completion of the Placing, further announcement will be made by the Company.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:–

Date: 12 September 2013

Parties: (a) The Company; and

(b) The Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placing Shares

The Placing Shares represent approximately 11.79% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.55% of the issued share capital of the Company as enlarged by the Placing.

The Placing Shares will rank pari passu among themselves and with other Shares in issue as at the date of the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.14 per Placing Share represents:–

- (i) a discount of approximately 18.13% to the closing price of HK\$0.171 per Share quoted on the Stock Exchange on 12 September 2013, being the date of the Placing Agreement; and

- (ii) a discount of approximately 11.95% to the average closing price of HK\$0.159 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company and the Placing Agent with reference to the prevailing market price of the Shares and the market condition. The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Placing Agreement (including the Placing Price) are on normal commercial terms and are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

The Placing Agent will receive a placing commission of 3% of the amount equal to the Placing Price multiplied by the number of the Placing Shares placed by the Placing Agent. The placing commission was arrived at after arm's length negotiations among the Company and the Placing Agent.

Placees

The Placing Shares have been or will be offered by the Placing Agent to and will be placed to not less than six Placees. The Placees and their ultimate beneficial owners will be independent of the Company and the Directors, chief executive and substantial shareholder of the Company and its subsidiaries and/or any of their respective associates or any connected persons.

Condition of the Placing

The Placing is conditional upon:-

- (i) the passing of resolutions by the Board to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee granting the listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares under the Placing Agreement).

If the above condition is not fulfilled by 30 days after the date of the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent), the rights, obligations and liabilities of the Company and the Placing Agent under the Placing Agreement shall cease and terminate and no party shall have any claim against the other in respect of the Placing (save for any antecedent breach and/or rights or obligations which may have accrued under the Placing Agreement).

Completion of the Placing

Completion of the Placing will take place on the Completion Date.

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent shall be entitled to terminate the Placing Agreement by giving prior written notice to the Company at any time prior to 10:00 a.m. on the Completion Date if there develops, occurs or comes into force:–

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Under the Placing Agreement, upon giving notice to the Company prior to 10:00 a.m. on the Completion Date pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

MANDATE TO ISSUE NEW SHARES

The Placing Shares will be issued and allotted under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the AGM subject to the limit of up to 98,383,098 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution at the AGM. As at the date of this announcement, no Share has been issued pursuant to the general mandate and the issue and allotment of the Placing Shares will not require any special approval from the Shareholders.

APPLICATION FOR LISTING

An application will be made to the Listing Committee for the listing of and permission to deal in the Placing Shares.

REASONS FOR THE PLACING

The Group is principally engaged in (i) the properties investment business, comprising the rental of investment properties and the provision of the management services; (ii) exploitation of copper and molybdenum in a mine located in Inner Mongolia, the People's Republic of China; and (iii) the money-lending business.

The maximum gross proceeds from the Placing will be approximately HK\$8.1 million. The maximum net proceeds from the Placing are estimated to be approximately HK\$7.8 million and will be used as general working capital of the Group and/or for financing future investment opportunities.

The Directors consider that the Placing will allow immediate cash inflows into the Group while broadening the shareholders' base and capital base of the Company. The Directors (including the independent non-executive Directors) consider that the Placing Agreement was entered into under normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has carried out the following fund raising activity by issue of equity securities during the past twelve (12) months preceding the date of this announcement:—

Date of announcement	Description of fund raising exercise	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
25 July 2012 (Completion on 24 September 2012)	Rights issue on the basis of one rights share for two existing shares held	HK\$8.76 million	General corporate and working capital requirements of the Group	Used as intended
16 August 2013	Placing of new shares	HK\$6.65 million	General working capital of the Group and/or for financing future investment opportunities	Used HKD1 million as general working capital and the remaining balance is held as bank deposit

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Placing (assuming the Placing Shares are fully placed) are summarised as follows:—

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	%	Number of Shares	%
Oriental Development Group (HK) Co., Limited (<i>Note</i>)	50,000,000	10.16	50,000,000	9.09
Miss Yu Wai Fong, non-executive Director	2,118,871	0.43	2,118,871	0.39
Public Shareholders	439,796,622	89.41	439,796,622	79.97
Placee(s)	—	—	58,000,000	10.55
Total	<u>491,915,493</u>	<u>100.00</u>	<u>549,915,493</u>	<u>100.00</u>

Note:

Oriental Development Group (HK) Co., Limited is 100% beneficially owned by Mr. Man Yuan. Mr. Man Yuan is deemed to be interested in 50,000,000 Shares held by Oriental Development Group (HK) Co., Limited.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:–

“AGM”	the annual general meeting of the Company held on 28 August 2013
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day(s)”	means a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	China Properties Investment Holdings Limited (中國置業投資控股有限公司*), a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Completion Date”	the third (3 rd) Business Day after the date on which all the conditions of the Placing are fulfilled or such other date as the Company and the Placing Agent may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	professional, institutional and/or corporate investors whom the Placing Agent has procured to purchase any of the Placing Shares
“Placing”	the conditional placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement

“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	the placing agreement dated 12 September 2013 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.14 per Placing Share
“Placing Share(s)”	up to 58,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 September 2013

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