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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

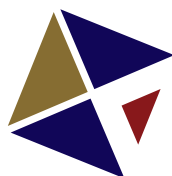
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Properties Investment Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)****MAJOR TRANSACTION  
TERMINATION OF THE POSSIBLE ACQUISITION  
AND  
NOTICE OF SGM**

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A letter from the Board is set out on pages 6 to 13 of this circular.

A notice dated 13 March 2014 convening an SGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 2 April 2014 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (on or before 30 March 2014) or Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (from 31 March 2014 onwards) as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

13 March 2014

\* for identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“2nd SMOU”	the second supplemental memorandum of understanding dated 20 June 2013 entered into among the Company, the BVI Cos and the Guarantor amending certain terms of the MOU as amended by the SMOU and the then previous letters of confirmations
“Amended MOU”	the MOU (as amended by the SMOU, the 2nd SMOU and the Letters of Confirmation)
“Announcements”	announcements dated 21 June 2010, 20 September 2010, 22 September 2010, 20 October 2010, 30 November 2010, 20 December 2010, 21 December 2010, 24 March 2011, 21 June 2011, 20 September 2011, 21 December 2011, 20 March 2012, 20 June 2012, 2 November 2012, 24 December 2012, 31 May 2013, 20 June 2013, 21 August 2013, 28 August 2013, 16 October 2013, 25 October 2013, 28 October 2013, 4 November 2013, 18 December 2013, 20 December 2013 and 30 January 2014 respectively regarding the Possible Acquisition and the Deed of Termination
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Banking Day(s)”	any day on which banks in Hong Kong generally are open for clearing and settlement business, except a Saturday, Sunday, public holiday and any day 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.
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“BVI Cos”	collectively Mighty Smart, Hover Max, Fortune Glow, Loyal Charm and Soar Power

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## DEFINITIONS

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“Company”	China Properties Investment Holdings Limited (Stock code: 736), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Deed of Termination”	the deed of termination dated 30 January 2014 entered into among, the Company, the BVI Cos and the Guarantor in relation to the termination of the Amended MOU and the return of the Deposit
“Deposit”	the deposit in the aggregate amount of US\$19,000,000 (equivalent to approximately HK\$148,200,000) paid by the Company to the BVI Cos pursuant to the Amended MOU
“Director(s)”	the director(s) of the Company
“Effective Date”	the date when all the conditions precedent of the Deed of Termination are fulfilled
“Fortune Glow”	Fortune Glow Limited (BVI Company Number 1598962), a company incorporated under the laws of BVI which is holding 28.24% of the issued share capital of the Target Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Xiong Wei, the ultimate beneficial owner of the BVI Cos
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hover Max”	Hover Max Limited (BVI Company Number 1593801), a company incorporated under the laws of BVI which is holding 37.65% of the issued share capital of the Target Company as at the Latest Practicable Date
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Latest Practicable Date”	10 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

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## DEFINITIONS

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“Letters of Confirmation”	the letters of confirmation dated 20 October 2010, 20 December 2010, 24 March 2011, 21 June 2011, 9 September 2011, 20 September 2011, 21 December 2011, 20 March 2012, 20 June 2012, 2 November 2012, 24 December 2012 and 16 October 2013 entered into among the Company, the BVI Cos and the then ultimate beneficial owners of the BVI Cos to amend the terms of the MOU
“ListCo”	China Environmental Energy Investment Limited (Stock code: 986), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loyal Charm”	Loyal Charm Limited (BVI Company Number 1593284), a company incorporated under the laws of BVI which is holding 0.88% of the issued share capital of the Target Company as at the Latest Practicable Date
“Mighty Smart”	Mighty Smart Limited (BVI Company Number 1593818), a company incorporated under the laws of BVI which is holding 4.12% of the issued share capital of the Target Company as at the Latest Practicable Date
“MOU”	the memorandum of understanding dated 21 June 2010 and entered into between the Company and the then shareholders of the Target Company in relation to the Possible Acquisition
“Nevada”	the State of Nevada, the U.S.
“Oil & Gas Leases”	three federal oil and gas leases with respective serial number NVN86605, NVN86657 and NVN86778 originally issued by the U.S. and administered by the Bureau of Land Management of the Nevada State Office of the U.S. and each carries a term of 10 years from 1 February 2009, 1 March 2009 and 1 April 2009 respectively, that entitle their holders the exclusive right to drill for, mine, extract, remove and dispose of all oil and gas (except helium) in parcels of lands in Nevada, subject to renewal or extension in accordance with the appropriate authority
“Oil & Gas Rights”	the exclusive right under the Oil & Gas Leases to drill for, mine, extract, remove and dispose of all oil and gas (except helium) in parcels of lands in Nevada

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## DEFINITIONS

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“Possible Acquisition”	the possible acquisition of the 71.76% of the issued share capital of the Target Company by the Company from the BVI Cos pursuant to the Amended MOU
“Possible Investment”	the possible acquisition of the equity stake by the Company in a Beijing incorporated company, which principally engaged in the trading of petrochemical products, liquors and other commodities in the PRC and distribution of local products and other commodities manufactured by local brands of the Qinghai Province, the PRC
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	Bright Sky Energy & Minerals, Inc., a company incorporated in Nevada on 15 June 2010 with limited liability
“Promissory Notes”	the promissory note(s) in the aggregate principal amount of HK\$123,200,000 due 12 months from its issuance and carrying interest of 8 per cent. per annum
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve by the Shareholders the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit)
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the Company
“Share Mortgages”	the respective share mortgages dated 22 September 2010 entered into by the Company and each of the BVI Cos whereby each of the BVI Cos charged its respective shareholdings in the share capital of the Target Company to the Company
“Shareholder(s)”	holder(s) of the Shares
“SMOU”	the supplemental memorandum of understanding dated 20 September 2010 and entered into among the Company, the then shareholders of the Target Company and their respective ultimate beneficial owners amending certain terms of the MOU
“Soar Power”	Soar Power Limited (BVI Company Number 1595611), a company incorporated under the laws of BVI which is holding 0.88% of the issued share capital of the Target Company as at the Latest Practicable Date

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Pure Power Holdings Limited, an investment holding company incorporated in the BVI on 1 April 2010 with limited liability
“U.S.”	the United States of America
“US\$”	US dollar(s), the lawful currency of the U.S.
“%”	per cent.

*For the purpose of this circular, all amounts denominated in US\$ have been translated (for information only) into HK\$ using the exchange rates of US\$1:HK\$7.8. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.*

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**LETTER FROM THE BOARD**

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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)**

*Executive Directors:*

Mr. Xu Dong (*Chairman*)

Mr. Au Tat On

*Non-executive Directors:*

Ms. Yu Wai Fong

*Independent Non-executive Directors:*

Mr. Lai Wai Yin, Wilson

Ms. Cao Jie Min

Mr. Tse Kwong Wah

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal Place of Business*

*in Hong Kong:*

Room 2707-08, 27th Floor

China Resources Building

26 Harbour Road

Wanchai, Hong Kong

13 March 2014

*To the Shareholders*

Dear Sir/Madam,

**MAJOR TRANSACTION  
TERMINATION OF THE POSSIBLE ACQUISITION  
AND  
NOTICE OF SGM**

**INTRODUCTION**

References are made to the Announcements.

On 21 June 2010 (after trading hours), the Company entered into the MOU with the then shareholders of the Target Company in relation to the acquisition of the entire interest in the Target Company.

\* *for identification purpose only*



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## LETTER FROM THE BOARD

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Subsequently on 20 September 2010 (after trading hours), the Company entered into the SMOU with the then shareholders of the Target Company and their respective ultimate beneficial owners pursuant to which a refundable cash deposit of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) shall be paid by the Company to each of the then shareholders of the Target Company or their nominees on such date to be agreed by the parties to the SMOU.

On or about 22 September 2010, 30 November 2010 and 21 December 2010, the Company paid the then shareholders of the Target Company deposits in the amount of US\$10,000,000 (equivalent to HK\$78,000,000), US\$3,000,000 (equivalent to HK\$23,400,000) and US\$6,000,000 (equivalent to HK\$46,800,000) respectively. Later, pursuant to a letter of confirmation dated 9 September 2011, one of the then shareholders of the Target Company, namely Bloom Trade Limited, was no longer a party to the Possible Acquisition and accordingly, all of its obligations under the MOU as amended by the SMOU and the previous letters of confirmation shall be released, hence the Possible Acquisition then became a possible acquisition by the Company of approximately 71.76% of the issued share capital of the Target Company.

Pursuant to the 2nd SMOU entered into between the Company and the BVI Cos on 20 June 2013, the remaining deposit shall not be paid by the Company unless and until the Company and the BVI Cos entered into a formal sale and purchase agreement. Accordingly, as at the Latest Practicable Date, an aggregate amount of US\$19,000,000 (equivalent to HK\$148,200,000) has been paid by the Company as refundable deposit. As a continuing security for the due and punctual performance and observance by each of the BVI Cos of all the obligations of the Target Company and the Project Company contained in the MOU (as amended by the SMOU, the 2nd SMOU and the Letters of Confirmations), each of the BVI Cos has charged its respective shareholdings in the share capital of the Target Company to the Company pursuant to the Share Mortgages.

As set out in the Announcements, the Company has sought confirmation from the Stock Exchange regarding whether the Possible Acquisition would be classified for the purposes of the Listing Rules as a very substantial acquisition only but not a backdoor listing or a reverse takeover pursuant to Rule 14.06(6) of the Listing Rules. The Stock Exchange replied that they considered the Possible Acquisition is an extreme case and therefore, they would classify it as a reverse takeover under Rule 14.06(6) of the Listing Rules and the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if it proceeds with the Possible Acquisition. Such decision was upheld by the Listing Committee of the Stock Exchange. As such, after due consideration, the Board decided not to proceed with the Possible Acquisition and the BVI Cos agreed to return the Deposit in accordance with the terms and conditions of the Deed of Termination.

The purpose of this circular is to provide you, (i) further details in respect of the Deed of the Termination; (ii) the financial information of the Group; and (iii) the notice of the SGM, and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### THE DEED OF TERMINATION

**Date:** 30 January 2014

**Parties:**

- (1) The Company
- (2) Mighty Smart, Hover Max, Fortune Glow, Loyal Charm and Soar Power as the BVI Cos
- (3) Mr. Xiong Wei, being the ultimate beneficial owner of the BVI Cos, as the Guarantor

The BVI Cos are investment holding companies incorporated in BVI with limited liability. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the BVI Cos, the Guarantor and their respective associates are Independent Third Parties.

### Terms

Pursuant to the Deed of Termination, the Company and each of the BVI Cos unconditionally and irrevocably agreed to terminate the Amended MOU. The Deed of Termination shall become effective upon the fulfillment of all the conditions set out in the section headed "Conditions Precedents" below.

Upon the Effective Date, the Company and the BVI Cos shall be released and discharged from all their rights and obligations under the Amended MOU, save and except for any antecedent breach. The Guarantor has agreed inter alia to guarantee the performance of the obligations of the BVI Cos under the Deed of Termination and the performance of the obligations of the ListCo under the Promissory Note.

### Return of Deposit

The Deposit in the aggregate amount of HK\$148,200,000 shall be returned by the BVI Cos to the Company in the following manner:-

- (a) a sum of HK\$25,000,000 payable in cash by the BVI Cos to the Company on or before the execution of the Deed of Termination; and
- (b) within 14 Business Days from the Effective Date (or any other days as mutually agreed by the Company and the BVI Cos in writing), a sum of HK\$123,200,000 to be satisfied by the BVI Cos procuring the ListCo to issue the Promissory Note in favour of the Company or its nominee.

As at the Latest Practicable Date, the BVI Cos have paid the sum of HK\$25,000,000 in cash to the Company in accordance with the terms of the Deed of Termination. The Company intends to apply the sum of HK\$25,000,000 for potential investments or opportunities and general working capital of the Group. Nevertheless, as at the Latest Practicable Date, save for the Possible Investment, the Company does not have any concrete plans regarding any acquisitions or investments.

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## LETTER FROM THE BOARD

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### **Release of the Share Mortgage**

The Share Mortgages shall be released and discharged in the following manner:–

- (a) within 3 Business Days from the Effective Day (or any other days as mutually agreed by the Company and the BVI Cos in writing), the Company shall release and discharge the Share Mortgage entered by Fortune Glow and the Company; and
- (b) upon the settlement of the entire principal amount of the Promissory Note together with all interest accrued in full, the Company shall within 5 Business Days (or any other days as mutually agreed by the Company and the BVI Cos in writing) release and discharge the remaining Share Mortgages entered by the BVI Cos (other than Fortune Glow) and the Company.

### **Conditions precedent**

The Deed of Termination is subject to the fulfillment of the following conditions:–

- (a) the passing by the Shareholders at the SGM of the necessary resolutions to rectify and approve the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit);
- (b) (if necessary), the Stock Exchange having approved the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit);
- (c) (if required) the parties to the Deed of Termination all having obtained the approval, confirmation, waiver or consent from the relevant regulatory authority(ies) or other third parties in connection with the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit); and
- (d) the compliance with and performance of all the undertakings and obligations of the BVI Cos and the Guarantor under the Deed of Termination.

None of the above conditions can be waived by any parties to the Deed of Termination. The Deed of Termination shall have no effect unless and until all conditions set out above are fulfilled. The effective date of the Deed of Termination shall be on the date when all the conditions precedents are fulfilled.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

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## LETTER FROM THE BOARD

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### THE PROMISSORY NOTES

According to the BVI Cos, the principal terms of the Promissory Notes are summarised as follows:

#### Issuer

The ListCo

#### Principal amount

HK\$123,200,000

#### Maturity date

The date falling on the 12 months from the issue date of the Promissory Notes or, if that is not a Banking Day, the next Banking Day immediately thereafter

#### Interest

8% per annum, payable upon maturity

### INFORMATION ON THE PARTIES

The Group is principally engaged in properties investment business, the exploitation of copper and molybdenum in a mine located in the Inner Mongolia, the PRC and money lending business.

The BVI Cos are investment holding companies incorporated in BVI with limited liability. The Target Company is an investment holding company incorporated in BVI with limited liability and is owned as to an aggregate of approximately 71.76% by the BVI Cos. As at the Latest Practicable Date, the Target Company owns 100% of the legal and beneficial interest in the Project Company, which is a company incorporated in Nevada on 15 June 2010 with limited liability and whose principal assets are the Oil & Gas Rights under the Oil & Gas Leases, which covers an aggregate area of approximately 4,240.88 acres located in Nye County, Nevada, the U.S..

The ListCo is a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange. It principally engaged in waste paper, scrap metal and consumable wastes recycling. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ListCo and its ultimate beneficial owners are Independent Third Parties.

### REASONS FOR TERMINATION

As mentioned in the section headed "Introduction" above, the Possible Acquisition would be classified as a reverse takeover pursuant to Rule 14.06(6) of the Listing Rule and the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if it proceeds with the

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## LETTER FROM THE BOARD

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Possible Acquisition. Such decision was upheld by the Listing Committee of the Stock Exchange. As such, after due consideration, the Board decided not to proceed with the Possible Acquisition and requested the BVI Cos to return the Deposit.

However, as disclosed in the announcement of the Company dated 18 December 2013, the BVI Cos were of the view that the term of the MOU has been extended for over 2 years and during that period, the BVI Cos have turned down many potential purchasers who were interested in acquiring the Project Company, resulting in its loss on time and potential gains. Despite the Company requested the BVI Cos to return the full amount of the Deposit in cash to Company, the BVI Cos refused to make such payment and offered to repay part of the Deposit by way of promissory note. Although the Company is of the view that it has no liability for any matters in relation to or arising from the Possible Acquisition, the Company has considered:-

1. that if the Company insists on immediate payment of the Deposit from the BVI Cos, the Company has to proceed to litigation, which is costly and time consuming and the date for getting back the Deposit is uncertain and could be over a year;
2. that the BVI Cos are investment holding companies incorporated in BVI. The principal assets of the BVI Cos are the shares of the Target Company. If the Company proceed to the litigation, the Company may get back the shares of the Target Company and it will have to seek an interested purchaser in the market in order to realize those shares. There's no guarantee that the terms offered by the interested purchaser will be better than that of the Promissory Notes; and
3. the following terms of the Promissory Notes:-
  - (1) the Promissory Note will be issued by a listed company in Hong Kong;
  - (2) the interest rate of the Promissory Note is much higher than the prevailing interest rate of the banks;
  - (3) the terms of the Promissory Note is no more than a year; and
  - (4) other than the Share Mortgage entered by Fortune Glow and the Company, the remaining Share Mortgages will only be released and discharged upon the settlement of the entire principal amount of the Promissory Note together with all interest accrued in full,

in light of the above, the Company decided to accept the Promissory Note instead of requesting immediate payment of the Deposit by the BVI Cos, which seems to be the quickest and most promising way to get back the money.

In assessing the credit risks of the Promissory Note, although the Company noted that the Listco:-

- (1) had a net current liabilities and net liabilities position as at 30 September 2013;

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## **LETTER FROM THE BOARD**

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- (2) was loss making for the year ended 31 March 2013 and during the six months ended 30 September 2013;
- (3) was heavily leveraged with gearing ratio of 1.01 as at 30 September 2013; and
- (4) has records of extending the repayment date of other promissory note,

the Board has also considered that the Guarantor agreed to guarantee the performance of obligation of the Listco under the Promissory Note and the remaining Share Mortgage will only be released and discharged upon the full settlement of the Promissory Note.

Since proceeding to litigation may be costly, time consuming and the possible result of litigation being the award of shares in the Target Company, the Board considers that the position of the Company will not be better off if the Company insists on immediately repayment of the Deposit from the BVI Cos by commencing legal action against them than accepting the repayment by way of Promissory Notes. The number of shares secured by the remaining Share Mortgage represents 43.52% issued share capital of the Target Company. In the event that the Promissory Note is defaulted, instead of taking possession of the Target Company, which may constitute a reverse takeover, the Company may sell or dispose of the secured assets, subject to market conditions and the advice from its professional advisors (including but not limited to, accounting, financial, legal and tax).

Accordingly, the Directors are of the opinion that the terms of Deed of Termination (including the terms for the return of the Deposit) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **FINANCIAL EFFECT OF THE DEED OF TERMINATION ON THE GROUP**

#### **Assets**

Immediately after the execution of the Deed of Termination, the cash of the Group will be increased by HK\$25,000,000 and the receivable of the Group will be decreased by the same but the total assets of the Group will remain unchanged.

#### **Liabilities**

The Deed of Termination will not have any influence on the liabilities of the Group.

#### **Earnings**

There will be an interest income of HK\$9,856,000 should the Deed of Termination become effective.

#### **Financial Impact**

Save as disclosed above, the Deed of Termination will not have any material financial impact to the Group.

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## LETTER FROM THE BOARD

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### IMPLICATION UNDER THE LISTING RULES

As certain applicable percentage ratios are more than 25% but less than 100% as calculated in accordance with Rule 14.07 of the Listing Rules, the Deed of Termination constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders' approval requirements. The SGM will be convened and held to approve, if thought fit, the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit).

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the Latest Practicable Date, none of the Directors nor Shareholders is materially interested in the Deed of Termination. No Shareholder is required to abstain from voting on the resolution approving the Deed of Termination at the SGM.

### SGM

The SGM will be convened at which resolution will be proposed to seek the approval of the Shareholders by way of poll for the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit). Pursuant to the Listing Rules, any vote at the SGM shall be taken by poll.

### RECOMMENDATIONS

The Directors consider that the Deed of Termination (including the terms for the return of the Deposit) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions as set out in the notice of the SGM to approve the Deed of Termination (including the terms for the return of the Deposit).

### ADDITIONAL INFORMATION

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

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

**1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP**

The Company is required to set out in this circular the information for the last three financial years ended 31 March 2013, 2012, 2011 with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 March 2011 has been set out in the Annual Report 2011 of the Company which was posted on 14 July 2011 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the Annual Report 2011:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2011/0714/LTN20110714206.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2012 has been set out in the Annual Report 2012 of the Company which was posted on 13 July 2012 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the Annual Report 2012:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0713/LTN20120713173.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2013 has been set out in the Annual Report 2013 of the Company which was posted on 25 July 2013 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the Annual Report 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0725/LTN20130725118.pdf>

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2013 has been set out in the Interim Report 2013 of the Company which was posted on 5 December 2013 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the Interim Report 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/1205/LTN20131205509.pdf>

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 January 2014, the Group had total outstanding borrowings of approximately HK\$54,375,000 (equivalents to RMB 43,500,000), which comprised secured bank loans of approximately HK\$54,375,000 (equivalents to RMB 43,500,000). The secured bank loans were secured by the investment properties of the Group of approximately HK\$183,340,000 (equivalents to RMB146,672,000) as at the valuation dated 30 September 2013.

Save for the aforesaid, 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 31 January 2014.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 31 January 2014.

### **3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances, the present financial resources available to the Group (including internally generated fund and the available banking facilities), and together with the successful placement of unconvertible bonds as disclosed in the announcement dated 29 November 2013, the Group will have sufficient working capital for its present requirements for a period of 12 months from the date of this Circular.

### **4. MATERIAL ADVERSE CHANGES**

The Directors confirm there are no material adverse changes in the financial and trading position of the Group since 31 March 2013, the date of which the latest audited financial statements of the Group were made up.

### **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

For the six months ended 30 September 2013, the group's turnover was approximately RMB3.3 million. The unaudited net loss for the period under review was approximately RMB23 million and the loss per share was RMB0.05.

The existing principal business activities of the Group including the properties investment business, exploitation of the copper and molybdenum (the "Mine") located in the Inner Mongolia, the PRC and money lending business.

For the six months ended 30 September 2013, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, among which approximately 27% were leased to third parties under operating leases with lease terms up to eight years. The directors consider that in view of the slower economic growth of the PRC and uncertainty in the economic recovery period, the prospect of the real property market in Shanghai will continue to be affected. As such, the Group's properties investment business will be suffered inevitability.

Regarding the mining business, the preparations and construction works for the Mine are still in progress. As mentioned in the interim report for the six months ended 30 September 2013, many regions and cities of Inner Mongolia Autonomous Region were hit by major flooding disasters last year, which led to some collapsed mines and cracks and bursts of tailing reservoirs in processing plants. To prevent further accidents, the relevant government authorities required all mining enterprises to prepare the Geotechnical Engineering Report and the Treatment Proposal on Geological Environment and Staged Land Rehabilitation on the Mine for mines and tailing reservoirs in processing plants. Therefore, the expected statutory operation will delay to the early 2015.

For the money-lending business, the Group has successfully provided loans up to HK\$15 million with the average interest rate of 20% per annum since its establishment from April 2012. The Directors wish to develop this new business by providing loans to high net-worth customers so as to generate further revenue for the Group.

Whilst the Group remains focused on developing its existing businesses, the Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and engage in a new line of business with potential growth. As such, the Company has acquired a minority equity stake in a company principally engaged in the provision of educational services in November 2013. The Directors consider that the prospect of provision of educational services in Hong Kong would be promising and believe that such acquisition provides a prime opportunity for the Group to enter the educational services business in Hong Kong and diversify the revenue stream of the Group which is expected to increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

In addition, the Company has entered into the memorandum of understanding on 14 January 2014 with the vendor pursuant to which the Company is intended to acquire the equity stake in a company incorporated in Beijing, the PRC principally engaged in the trading of petrochemical products, liquors and other commodities in the PRC and distribution of local products and other commodities manufactured by local brands of the Qinghai Province, the PRC. As at the Latest Practicable Date, no sales and purchase agreement relating to the Possible Investment has been agreed or entered into by the Company. If the Possible Investment materialise, it may constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will keep the Shareholders and public investors informed of any material development in connection with the Possible Investment by way of further announcement(s) as and when appropriate.

Going ahead, the Company will continue to look for other investment opportunities in any other streams in the long run so as to broaden the source of income of the Group and diversify the Group's business portfolio.

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 document misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests and short positions

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company and 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 Securities and Futures Ordinance (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 and short positions which they have taken or deemed to have taken under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

#### *Long positions in shares of the company*

<b>Name of director</b>	<b>Capacity of shares held</b>	<b>No. of Shares held</b>	<b>Percentage of issued share capital</b>
Yu Wai Fong	Beneficial owner	2,118,871	0.36%

As at the Latest Practicable Date, none of the directors or chief executives of the Company or their respective associates, had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its 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 and short positions which they have taken or deemed to have taken under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which should fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Substantial shareholders' interests**

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

*Long positions in shares of the company*

Name	Capacity of shares held	No. of Shares held	Percentage of issued share capital
Oriental Development Group (HK) Co., Limited ( <i>Note</i> )	Beneficial owner	90,000,000	15.26%

*Note:* Oriental Development Group (HK) Co., Limited is 100% beneficially owned by Mr. Man Yuen. Mr. Man Yuen is deemed to be interested in 90,000,000 Shares held by Oriental Development Group (HK) Co., Limited. To the best of the Directors' knowledge, information and belief, and based on the disclosure of interests made by Oriental Development pursuant to the Securities and Futures Ordinance (Cap.571), Oriental Development was interested in 90,000,000 Shares as at the Latest Practicable Date.

**3. MATERIAL CONTRACTS**

The following contracts, not being contracts entered into in ordinary course of business of the Group, have been entered into by the members of the Group within two years preceding the date of this circular and are, or maybe, material:

- (i) the underwriting agreement dated 24 July 2012 (as amended by a letter of confirmation executed by the parties on 26 July 2012) entered into between the Company and United Simsen Securities Limited as the underwriter in relation to the rights issue on the basis of one rights share for every two existing shares of the Company held on the record date at a subscription price of HK\$0.068 per rights share;
- (ii) the convertible bonds placing agreement dated 18 January 2013, which was terminated on 25 March 2013, entered into between the Company and Delta Wealth Securities Limited as the placing agent in relation to the placing of convertible bonds up to an aggregate principal amount of HK\$20,000,000;
- (iii) the unconvertible bonds placing agreement dated 18 January 2013, which was terminated on 9 May 2013 after the successful placing of unconvertible bonds in the aggregate principal amount of HK\$10,000,000, entered into between the Company and Delta Wealth Securities Limited as the placing agent in relation to the placing of unconvertible bonds up to an aggregate principal amount of HK\$50,000,000;

- (iv) the unconvertible bonds placing agreement dated 9 May 2013 (as amended and supplemented by a supplemental bond placing agreement dated 29 November 2013) entered into between the Company and Delta Wealth Securities Limited as the placing agent in relation to the placing of unconvertible bonds up to an aggregate principal amount of HK\$50,000,000;
- (v) the placing agreement dated 16 August 2013 entered into between the Company and Emperor Securities Limited as the placing agent in relation to the placing of up to 50,000,000 new Shares at a placing price of HK0.136 per placing share;
- (vi) the placing agreement dated 12 September 2013 entered into between the Company and Cheong Lee Securities Limited as the placing agent in relation to the placing of up to 58,000,000 new Shares at a placing price of HK0.14 per placing share;
- (vii) the placing agreement dated 2 October 2013 entered into between the Company and Emperor Securities Limited as the placing agent in relation to the placing of up to 40,000,000 new Shares at a placing price of HK0.104 per placing share;
- (viii) the sale and purchase agreement and the subscription agreement dated 27 November 2013 entered into among, the Company as the purchaser, Global Success Business Inc as the Vendor and EdKnowledge Group Limited (the “Target Company”) in relation to the acquisition of 2,941 issued shares and the subscription of 441 new shares of the Target Company, in aggregate representing 32.39% of the issued share capital the Target Company upon completion, at an aggregate consideration of HK\$11,500,000;
- (ix) the placing agreement dated 2 January 2014 (as amended and supplemented by a supplemental agreement dated 23 January 2014 and a second supplemental agreement dated 20 February 2014) entered into between the Company and Tanrich Securities Company Limited as the placing agent in relation to the placing of convertible bonds up to an aggregate principal amount of HK\$180,000,000 and to issue bonus warrants to the registered holders of the convertible bonds on the basis of one bonus warrant for every four conversion shares upon the exercise of the conversion rights attaching to the convertible bonds; and
- (x) the Deed of Termination.

#### **4. DIRECTORS’ INTEREST IN COMPETING BUSINESS**

During the year and up to the Latest Practicable Date, no Director and his associates are considered to have an interest in a business which completes or is likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses of which the Directors were nominated and appointed as directors and/or senior management to represent the interests of the Company and/or the Group.

**5. DIRECTORS' INTEREST IN ASSETS & CONTRACTS**

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 2013 (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.

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

**6. DIRECTORS' SERVICE 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.

**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 up legal proceedings against ASG Capital Limited and ASG Brokerage Limited (the "Defendants") for breach of the placing agreement and underwriting agreement dated 9 December 1997 in that the Defendants failed to fulfill their underwriting obligations thereunder and for the recovery of RMB40 million being the economic loss suffered by the Company together with interest and legal cost. The proceedings are now in pretrial 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 the 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.

**8. GENERAL**

The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company in Hong Kong is situated at Room 2707-08, 27th Floor China Resources Building 26 Harbour Road Wanchai, Hong Kong.

The Branch Registrar is Tricor Secretaries Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (on or before 30 March 2014) or Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (from 31 March 2014 onwards).

The company secretary of the Company is Mr. Yip Yuk Sing. He was appointed as the company secretary of the Company in May 2008. He is also the chief financial officer of the Company. He has extensive experience in accounting and financial management. Prior to joining the Company, he 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.

The English text of this circular shall prevail over the respective Chinese text in the case of any inconsistency.

#### **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 2707-08, 27th Floor China Resources Building 26 Harbour Road Wanchai, Hong Kong during normal business hours on any weekday (public holidays excluded) from the date of this circular up to and including 2 April, 2014:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the material contracts referred to in the paragraph “Material Contracts” in this appendix;
- (iii) the annual reports of the Company for the financial years ended 31 March 2011, 2012 and 2013;
- (iv) the interim report of the Company for the six months ended 30 September 2013; and
- (v) this circular.

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## NOTICE OF THE SGM

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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)**

### NOTICE OF THE SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a Special General Meeting of China Properties Investment Holdings Limited (“Company” together with its subsidiaries, the “Group”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 2 April 2014 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions which will be proposed as an ordinary resolutions:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) the deed of termination dated 30 January 2014 (the “Deed of Termination”, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) entered into among the Company, Mighty Smart Limited, Hover Max Limited, Fortune Glow Limited, Loyal Charm Limited and Soar Power Limited (together the “BVI Cos”) and Mr. Xiong Wei as guarantor in relation to the termination of the Amended MOU (as defined in the circular to the shareholders of the Company dated 13 March 2014) and the transactions contemplated thereunder (including the terms for the return of the deposit paid by the Company to the BVI Cos pursuant to the Amended MOU (the “Deposit”) and the release and discharge of the share mortgages made in favour of the Company by the BVI Cos pursuant to the Amended MOU (the “Share Mortgage”)) be and is hereby generally and unconditionally approved, confirmed and rectified; and
- (b) any Director be and are hereby authorised to do all such acts and things, to sign, execute and affix the common seal of the Company to all such documents and to take such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Deed of Termination and any of the transactions contemplated thereunder (including the terms for the return of the deposit and the release and discharge of the Share Mortgage) and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents,

\* *for identification purpose only*



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## NOTICE OF THE SGM

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which are not fundamentally different from those as provided under the Deed of Termination) as are, in the opinion of the Director, in the interest of the Company and its shareholders as a whole.”

By Order of the Board

**Xu Dong**

*Chairman*

Hong Kong, 13 March 2014

*Notes:*

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the general meeting. A proxy need not be a member. In addition, a proxy or proxies representing a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, shall be delivered to the Company's branch share registrar, Tricor Secretaries Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (on or before 30 March 2014) or Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (from 31 March 2014 onwards) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Voting on the resolution will be taken by poll.