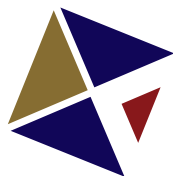

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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

**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)**

**PROPOSED PLACING OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE
AND
PROPOSED ISSUE OF BONUS WARRANTS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 22 May 2014 at 10:00 a.m. is set out on pages 25 to 27 of this circular. A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

2 May, 2014

* *for identification purpose only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
NOTICE OF SGM	25

DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Announcements”	the announcements made by the Company dated 2 January 2014, 23 January 2014, 20 February 2014 and 24 April 2014 respectively in relation to the Placing
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bonus Warrants”	an aggregate of 225,000,000 unlisted bonus warrants proposed to be issued to the Placee(s) for every four Conversion Shares placed upon Completion at the Subscription Price (subject to adjustment)
“Business Days”	a day on which banks are open for business in Hong Kong (excluding Saturdays and Sundays)
“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 whose shares are listed on the Stock Exchange
“Completion”	completion of each tranche of the Placing, which shall take place within four Business Days after the date of satisfaction of the last of the conditions precedent in the Placing Agreement
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	HK\$0.15 (subject to adjustment)
“Convertible Bonds”	the one (1) per cent. interest convertible bonds due 2016 in an aggregate principal amount of HK\$135,000,000 to be issued by the Company pursuant to the Placing Agreement and to be created by the Instrument constituting such bonds, or any part of the principal amount
“Conversion Shares”	the new Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds
“Director(s)”	director(s) of the Company
“First Supplemental Agreement”	the first supplemental agreement to the Placing Agreement dated 23 January 2014 entered into between the Company and the Placing Agent
“Group”	the Company and its subsidiaries

* *for identification purpose only*

DEFINITIONS

“HK\$”	the lawful currency of Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is independent of and not connected with the Company and its Connected Persons
“Instrument(s)”	the instrument(s) to be executed by the Company by way of a deed constituting the Convertible Bonds to be issued upon completion of the Placing
“Last Trading Day”	2 January 2014, being the date of the entering into the Placing Agreement
“Latest Practicable Date”	29 April 2014, being the latest practicable date for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling 24 months from the date of the issue of the Convertible Bonds
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Convertible Bonds of up to an aggregate principal amount of HK\$135,000,000 by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Tanrich Securities Company Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 regulated activities (dealing in securities) and Type 4 regulated activities (advising on securities)
“Placing Agreement”	the placing agreement dated 2 January 2014 (as varied and supplemented by the Supplemental Agreements) entered into between the Company and the Placing Agent in respect of the Placing
“Placing Period”	a period of 30 days commencing from the date of the SGM

DEFINITIONS

“Second Supplemental Agreement”	the second supplemental agreement to the Placing Agreement dated 20 February 2014 entered into between the Company and the Placing Agent
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Placing Agreement, the Supplemental Agreements, the issue of the Convertible Bonds and the Bonus Warrants and the allotment and issue of the Convertible Shares and Warrant Shares
“Share(s)”	ordinary shares of HK\$0.03 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Specific Mandate”	the specific mandate to be sought from Shareholders at the SGM to approve, inter alia, the issue of the Convertible Bonds and the Bonus Warrants and the allotment and the issue of the Conversion Shares and Warrant Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Period”	a period of 24 months commencing from the date of exercise of the conversion rights attaching to the Convertible Bonds
“Subscription Price”	an initial subscription price of HK\$0.30 per Warrant Share, subject to adjustments in accordance with the instrument creating the Bonus Warrants
“Supplemental Agreements”	the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement collectively
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Supplemental Agreement”	the third supplemental agreement to the Placing Agreement dated 24 April 2014 entered into between the Company and the Placing Agent
“Warrant Shares”	Shares to be allotted and issued by the Company upon exercise of the subscription rights attaching to the Bonus Warrants

LETTER FROM THE BOARD



CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

Executive Directors:

Mr. Xu Dong (*Chairman*)

Mr. Au Tat On

Non-executive Director:

Miss. 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, 27/F,

China Resources Building,

26 Harbour Road, Wanchai,

Hong Kong

2 May 2014

To the shareholders of the Company

Dear Sir or Madam,

PROPOSED PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE AND PROPOSED ISSUE OF BONUS WARRANTS

INTRODUCTION

Reference is made to the Announcements. On 2 January 2014, the Company entered into the Placing Agreement (as varied and supplemented by the Supplemental Agreements) with the Placing Agent, pursuant to which the Placing Agent agreed to procure not less than six Placees to subscribe for HK\$135 million of the Convertible Bonds on a best endeavours basis by a maximum of three (3) tranches and the Company agreed to issue Bonus Warrants (for no additional payment) 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.

* *for identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information regarding the Placing Agreement, the Supplemental Agreements, the Convertible Bonds and the Bonus Warrants together with the notice of the SGM.

THE PLACING

The Placing Agreement:

A summary of the principal terms of the Placing Agreement is set out below.

Issuer:

The Company

Placing Agent:

Tanrich Securities Company Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Maximum number of tranches:

Three (3) with a minimum amount of each tranche being HK\$40 million.

Conditions precedent:

Completion is conditional upon the fulfilment of the following conditions:–

- (i) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Conversion Shares and the Warrant Shares under the relevant tranche of the Placing;
- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including the provisions regarding force majeure;
- (iii) the passing of resolution(s) at the SGM by the Shareholders to approve the Placing Agreement, the Supplemental Agreements, the issue of the Convertible Bonds and Bonus Warrants and the allotment and issue of the Conversion Shares and Warrant Shares under the Specific Mandate; and
- (iv) where necessary, the increase in the authorised share capital of the Company to accommodate the allotment and issue of any Conversion Shares and Warrant Shares having been approved in the general meeting of the Company.

LETTER FROM THE BOARD

Placing commission:

The Company shall pay to the Placing Agent a fee equal to 2.5% of the aggregate principal amount of the Convertible Bonds placed by the Placing Agent to the Placee(s) upon Completion.

Placing period:

A period of 30 days from the date of the SGM.

Placee(s):

The Placing Agent will place the Convertible Bonds to not less than six Placees who are and whose ultimate beneficial owners are expected to be Independent Third Parties and not acting in concert (as defined in the Takeovers Code) with any Connected Persons of the Company.

Termination:

If, at any time prior to 9:00 a.m. on the relevant Completion of the Placing, in the absolute opinion of the Placing Agent, the Placing or the business or financial prospects of the Group would or might be adversely affected by any of the following events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Convertible Bonds to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions (including without limitation, a suspension or limitation on trading in securities generally on the Stock Exchange) which would materially and adversely affect the Placing to potential investor(s) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing,

LETTER FROM THE BOARD

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company (save for any antecedent breaches of the Placing Agreement) by giving notice in writing to the Company, provided that such notice is received prior to 9:00 a.m. on Completion and provided further that such termination shall not affect any partial completion of the Convertible Bonds that has taken place prior to such date of termination.

If, at or prior to 9:00 a.m. on the date of Completion;

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcements relating to the Placing Agreement or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated, and shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound to) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

If the Placing Agent terminates the Placing Agreement, all obligations of the Placing Agent and the Company under the Placing Agreement will cease and determine and neither party may have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The following summarizes certain of the principal terms of the Convertible Bonds:

Aggregate principal amount of the Convertible Bonds:

Up to HK\$135,000,000.

Authorized denomination for issue, transfer, conversion and redemption:

HK\$5,000,000.

Maturity date:

Two (2) years from the relevant date of issue.

LETTER FROM THE BOARD

Conversion period:

The holders of the Convertible Bonds will be able to convert the outstanding principal amount of the Convertible Bonds in whole or in part into Shares at any time following the relevant date of issue until the Maturity Date.

Conversion price:

Initially set at HK\$0.15 per Conversion Share, subject to customary adjustments in certain events, including share consolidation, share subdivision, capitalization issues, capital distribution, rights issue, open offer and issues of other securities by the Company.

Interest rate:

One (1) per cent. per annum

Transferability:

The Convertible Bonds may be transferrable to any person (including a Connected Person of the Company) with the consent of the Company.

Voting:

The holders of the Convertible Bonds will not be entitled to receive notice of, attend or vote at any general meeting of the Company by reason only of them being holders of the Convertible Bonds.

Listing:

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds.

Subject to the granting of the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange, the Conversion Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Conversion Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Ranking:

The Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds will rank pari passu in all respects with all other Shares outstanding on the date the name of the holder of the Convertible Bonds is entered in the register of members of the Company as a holder of the Conversion Shares.

Conversion restriction:

The conversion rights attaching to a Convertible Bond cannot be exercised (and accordingly the Company will not issue Conversion Shares) in any of the following events:

- (i) if and to the extent that the total number of Conversion Shares (together with other Shares) with voting rights held by the holder of the Convertible Bonds in question and parties acting in concert with it within the meaning of the Takeovers Code immediately after the issue of the relevant Conversion Shares would amount to 30% or more of the enlarged issued share capital of the Company or of such other amount as may be specified in the Takeovers Code as being the level for triggering a mandatory general offer;
- (ii) if the Conversion Shares are to be issued to a Connected Person of the Company in which case the exercise of the relevant conversion rights will be subject to the approval of the Shareholders in a general meeting and compliance with the relevant requirements of the Listing Rules; or
- (iii) if the Company believes that it would no longer fulfill the public float requirement under Rule 8.08 of the Listing Rules immediately after the issue of the Conversion Shares.

Redemption:

The Company shall be entitled to redeem the Convertible Bonds at 103% of the face value of the Convertible Bonds prior to the Maturity Date and at 100% of the face value of the Convertible Bonds on the Maturity Date.

In the event that the Company gives notice of redemption and receives a notice of conversion under the Convertible Bonds on the same date (regardless of the time), the notice of redemption shall take priority against the notice of conversion.

Anti-dilution adjustments to the Conversion Price:

The Conversion Price shall from time to time be subject to adjustment in accordance with the following if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) if and whenever the Company's nominal value of the Shares shall be altered as a result of consolidation or subdivision;

LETTER FROM THE BOARD

- (ii) if and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, other than Shares issued in lieu of the whole or any part of a cash dividend, being a dividend which the Shareholders concerned would or could otherwise have received in cash;
- (iii) if and whenever the Company shall pay or make any capital distribution to the Shareholders in specie or other property by way of capitalization of reserves (except where the Conversion Price falls to be adjusted under sub-paragraph (ii) above, or falls within subparagraph (ii) above but no adjustment falls to be made);
- (iv) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the announcement of the terms of the issue or grant per Share;
- (v) (a) if and whenever the Company or any of its subsidiaries shall issue any securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration per new Share is less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the announcement of the terms of the issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A + B}{A + C}$$

A = the number of Shares in issue immediately before the date of the issue of such securities;

B = the number of Shares which the total Effective Consideration receivable for such securities would purchase at such market price (exclusive of any disbursements incurred in connection therewith); and

C = the maximum number of new Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative initial conversion or exchange rate or subscription price;

LETTER FROM THE BOARD

- (b) if and whenever the rights of the conversion, exchange or subscription rights of any issue of securities mentioned in the preceding paragraph are altered so that the said total Effective Consideration is less than 90 per cent. of such average closing price, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{D + E}{D + F}$$

where:

D = the number of Shares in issue immediately before the date of such modification;

E = the number of Shares which the total Effective Consideration receivable for such securities at the modified conversion or exchange rate or subscription price would purchase at such market price; and

F = the maximum number of new Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative modified conversion or exchange rate or subscription price.

For the purpose of this paragraph (v), the “**total Effective Consideration**” receivable for the relevant securities shall be deemed to be the aggregate consideration receivable by the Company for the issue thereof plus the additional minimum consideration (if any) to be received by the Company upon the full conversion or exchange thereof or the exercise in full of the subscription rights attaching thereto, and the “**total Effective Consideration per Share**” initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue;

- (vi) if and whenever the Company shall issue Shares wholly for cash at a price less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the announcement of the terms of the issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{G + H}{G + I}$$

where:

G = the number of Shares in issue immediately before the date of such announcement;

LETTER FROM THE BOARD

H = the number of Shares which the aggregate amount payable for the Shares allotted pursuant to such issue would purchase at such market price (exclusive of expenses); and

I = the number of Shares allotted and issued pursuant to such issue; and

- (vii) if and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{J + K}{J + L}$$

where:

J = the number of Shares in issue immediately before the date of such announcement;

K = the number of Shares which the total Effective Consideration would purchase at such market price; and

L = the number of Shares allotted and issued pursuant to such issue.

For the purpose of this paragraph (vii), the “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

CONVERSION

Assuming the Convertible Bonds are fully placed, a total of 900,000,000 Shares will be issued, representing approximately 152.56% of the existing issued share capital of the Company and approximately 60.41% of the Company’s then issued share capital as enlarged by the issue of the Conversion Shares.

CONVERSION PRICE

The Conversion Price per Conversion Share was arrived at after arm’s length negotiation between the Company and the Placing Agent, representing:

- (i) a discount of approximately 31.82% to the closing price of HK\$0.22 per Share quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 43.18% to the average closing price of HK\$0.264 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to and including the Last Trading Day; and
- (iii) a discount of approximately 47.37% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Conversion Price was arrived at after negotiation on an arm's length commercial basis between the Company and the Placing Agent having taken into account of (i) the continuous loss making track record of the Company for the past five consecutive financial years ended 31 March 2013; and (ii) the fact that the price of the Shares was substantially above the Conversion Price only in recent months prior to entering into the Placing Agreement, which gives no clue to the sustainability of the price of the Shares. Accordingly, the Directors consider that it is more fair and reasonable that the Conversion Price be benchmarked against the average closing price of the Shares during the period from 2 January 2013 to 2 January 2014, being the Last Trading Day (the "Review Period") instead of the period immediately prior to the entering into of the Placing Agreement.

The net price of the Conversion Shares to be issued upon Conversion is approximately HK\$0.144.

Historical share price

The following chart illustrates the daily closing price of the Shares as quoted on the Hong Kong Stock Exchange during the Review Period:



Source: the website of the Stock Exchange (www.hkex.com.hk)

As illustrated in the chart above, the closing prices of the Shares quoted on the Stock Exchange during the Review Period ranged from HK\$0.096 per Share on 8 April 2013 to HK\$0.315 per Share on 15 November 2013. It is noticed that the closing prices of the Shares were below the Conversion Price during the Review Period and the closing prices of the Shares were substantially above the Conversion Price only in recent months prior to entering into the Placing Agreement. The average closing price of the Shares

LETTER FROM THE BOARD

during the Review Period was approximately HK\$0.153 per Share, which is more or less equal to the initial Conversion Price. Given the historical performance of the Shares analysed above, the price fluctuation of the Shares during the Review Period and the financial position and capital requirement of the Company, the Board considers that the initial Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Comparison with other listed companies in Hong Kong

During the six-month period prior to the Last Trading Day, 17 listed companies have announced to conduct the placing of convertible bonds/notes activities under special mandate and the Company believes that these comparables represent a sufficient sample size for comparison purpose. Set out below is a summary of the placing activities carried out or to be carried out by these 17 listed companies for the purpose of providing an analysis on the Conversion Price:

No.	Company name (stock code)	Date of announcement	Premium/ (discount) of conversion price over/to share price as at the last trading day (%)	Interest rate per annum (%)	Maturity (years)
1.	Wuling Motors Holdings Limited (305)	27/11/2013	1.75	4.25	3
2.	First Natural Foods Holdings Limited (1076)	27/11/2013	(77.68)	0	16
3.	Chinese Food and Beverage Group Limited (8272)	26/11/2013	(6.67)	3	3.5
4.	Universe International Holdings Limited (1046)	14/11/2013	23.46	5	2
5.	Birmingham International Holdings Limited (2309)	12/11/2013	(80.52)	0	2
6.	Sau San Tong Holdings Limited (8200)	7/11/2013	6.45	4	3
7.	Same Time Holdings Limited (451)	31/10/2013	(55.60)	0	5
8.	Fornton Group Limited (1152)	23/10/2013	(24.81)	0	3
9.	SimSen International Corporation Limited (993)	18/10/2013	40.06	0	3
10.	Yanchang Petroleum International Limited (346)	17/10/2013	2.56	0	3
11.	Goldpoly New Energy Holdings Limited (686)	16/10/2013	(18.78)	5	3
12.	Goldpoly New Energy Holdings Limited (686)	13/9/2013	11.89	0	5
13.	Suncorp Technologies Limited (1063)	4/9/2013	(64.30)	1	2
14.	Qianlong Technology International Holdings Limited (1236)	18/8/2013	17.28	3	5
15.	Asia Resources Holdings Limited (899)	15/8/2013	(14.63)	5	2
16.	Pizu Group Holdings Limited (8053)	8/7/2013	1.65	0	3
17.	Great Harvest Maeta Group Holdings Limited (3683)	5/7/2013	(0.50)	4	5

Source: the website of the Stock Exchange (www.hkex.com.hk)

As illustrated in the table above, the premium/discount rate for the placing of convertible bonds/notes activities under special mandate in the market during the six months prior to entering into the Placing Agreement ranged from a discount of approximately 81% to a premium of approximately 40%. As the discount rate of the Conversion Price falls within the range of market comparables, and given that the size of

LETTER FROM THE BOARD

the Placing (i.e. HK\$135 million) is significant as compared to the total market capitalization of the Company (i.e. approximately HK\$130 million as at the Last Trading Day), the Directors consider that the Conversion Price is fair and reasonable.

PRINCIPAL TERMS OF THE BONUS WARRANTS

Bonus Warrants (for no additional payment) will be issued 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. The principal terms of the Bonus Warrants are summarised below.

Issuer:

The Company

Aggregate principal amount of Bonus Warrants to be issued:

HK\$67,500,000

Subscription rights:

The holders of the Bonus Warrants are entitled to subscribe for within the Subscription Period in aggregate up to 225,000,000 Warrant Shares at the Subscription Price.

Subscription period:

A period of 24 months commencing from the date of exercise of the conversion rights attaching to the Convertible Bonds.

Subscription price:

Being initially HK\$0.30 per Warrant Share, subject to adjustments in accordance with the instrument creating the Bonus Warrants.

The initial Subscription Price represents:

- (i) a premium of approximately 24.48% to the closing price of HK\$0.241 per Share as quoted on the Stock Exchange as at the date of the First Supplemental Agreement;
- (ii) a premium of approximately 26.05% to the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding the date of the First Supplemental Agreement;
- (iii) a premium of approximately 23.97% to the average closing price of approximately HK\$0.242 per Share as quoted on the Stock Exchange for the ten consecutive trading days preceding the date of the First Supplemental Agreement; and

LETTER FROM THE BOARD

- (iv) a premium of approximately 5.26% to the average closing price of approximately HK\$0.285 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the recent market prices of the Shares. The Directors consider that the Subscription Price and the terms and conditions of the Bonus Warrants are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Anti-dilution adjustments to the Subscription Price:

The Subscription Price shall from time to time be subject to adjustment in accordance with the following if, whilst any of the Bonus Warrants remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) if and whenever the Company's nominal value of the Shares shall be altered as a result of consolidation or subdivision;
- (ii) if and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, other than Shares issued in lieu of the whole or any part of a cash dividend, being a dividend which the Shareholders concerned would or could otherwise have received in cash;
- (iii) if and whenever the Company shall pay or make any capital distribution to the Shareholders in specie or other property by way of capitalization of reserves (except where the Subscription Price falls to be adjusted under paragraph (ii) above, or falls within paragraph (ii) above but no adjustment falls to be made);
- (iv) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class any warrants or other rights to subscribe for or purchase any Shares, in each case at less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the issue or grant per Share; and
- (v) if and whenever the Company or any of its subsidiaries shall issue any securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration per new Share is less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the announcement of the terms of the issue, or the conversion, exchange or subscription rights of any such issue are altered so that the said total Effective Consideration is less than 90 per cent. of such average closing price. For the purpose of this paragraph (v), the "**total Effective Consideration**" receivable for the relevant securities shall be deemed to be the aggregate consideration receivable by the Company for the issue thereof plus the additional minimum consideration (if any) to be received by the Company upon the full conversion or exchange thereof or the exercise in full of the subscription rights attaching thereto;

LETTER FROM THE BOARD

- (vi) if and whenever the Company shall issue Shares wholly for cash at a price less than 90 per cent. of the average closing price for the Shares for the five consecutive trading days immediately preceding the date of the announcement of the terms of the issue; and
- (vii) if and whenever the Company shall purchase any Shares or securities convertible into Shares or any rights to acquire Shares in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.

Voting:

The holders of the Bonus Warrants will not be entitled to receive notice of, attend or vote at any general meeting of the Company by reason only of them being holders of the Bonus Warrants.

Listing:

No application will be made for the listing of the Bonus Warrants on the Stock Exchange or any other stock exchange.

Application will be made by the Company for the listing of, and permission to deal in, the Warrant Shares to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants.

Subject to the granting of the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange, the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Warrant Shares 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.

Ranking:

The Warrant Shares to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants will rank pari passu in all respects with all other Shares outstanding on the date the name of the holder of the Bonus Warrant is entered in the register of members of the Company as a holder of the Warrant Shares.

Transferability:

The Bonus Warrants are freely transferable by instrument of transfer in any usual or common form or such other form as may be approved by the Company provided that any transfer thereof to a Connected Person of the Company shall require the prior written consent of the Company.

LETTER FROM THE BOARD

Number of Warrant Shares to be issued upon exercise of the Bonus Warrants

On the basis of 900,000,000 Conversion Shares, there will be not less than 225,000,000 Bonus Warrants entitling the holders thereof to subscribe for 225,000,000 Warrant Shares at the Subscription Price (subject to adjustments) for each Warrant Share.

The Warrant Shares to be issued upon full exercise of the subscription rights attaching to the Bonus Warrants represent (i) approximately 38.14% of the issued share capital of the Company as at the date of the First Supplemental Agreement; (ii) approximately 15.10% of the then issued share capital of the Company as enlarged by the issue of the Conversion Shares; and (iii) approximately 13.12% of the then issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Warrant Shares.

Reasons for the issue of the Bonus Warrants

Considering the difficulties encountered by the Placing Agent in the Placing, the Board considers that the issue of the Bonus Warrants will increase the chance of success of the Placing.

Given that the Subscription Price is 200% of the Conversion Price, the Board considers that the issue of the Bonus Warrants will further strengthen the equity base of the Company while increasing the Company's working capital if and when the subscription rights attaching to the Bonus Warrants are exercised and, therefore, the issue of the Bonus Warrants is in the best interest of the Company and the Shareholders as a whole.

Use of proceeds

The gross and net proceeds from the issue of the Bonus Warrants, if fully placed, will be HK\$67.5 million out of which approximately HK\$30 million is intended to be used for the general working capital of the Group and approximately HK\$37.5 million is intended to be used for financing future investment opportunities respectively.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The following table shows the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the allotment and issue of the Conversion Shares upon exercise of the conversion rights in full under the Convertible Bonds; and (iii) immediately after the allotment and issue of the Conversion Shares upon exercise of the conversion rights in full under the Convertible Bonds and upon full exercise of the subscription rights under the Bonus Warrants.

	As at the Latest Practicable Date		Immediately after the allotment and issue of the Conversion Shares upon exercise of the conversion rights in full under the Convertible Bonds		Immediately after the allotment and issue of the Conversion Shares upon exercise of the conversion rights in full under the Convertible Bonds and upon full exercise of the subscription rights under the Bonus Warrants	
	Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Miss Yu Wai Fong, a non-executive Director	2,118,871	0.36	2,118,871	0.14	2,118,871	0.12
Oriental Development Group (HK) Co., Limited (<i>Note</i>)	90,000,000	15.25	90,000,000	6.04	90,000,000	5.25
The Placees	-	-	900,000,000	60.41	1,125,000,000	65.60
Other public Shareholders	497,796,622	84.39	497,796,622	33.41	497,796,622	29.03
Total	589,915,493	100	1,489,915,493	100	1,714,915,493	100

Note:

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

INFORMATION ON THE GROUP

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

Except for the Shares, none of the Company's equity or debt securities are listed or proposed to be listed in any stock exchange.

LETTER FROM THE BOARD

REASONS FOR THE PLACING

The Company has approximately RMB43.5 million (equivalent to approximately HK\$55.6 million) outstanding bank loan with a floating interest rate of approximately 7.2% per annum as at the Latest Practicable Date which is based on the benchmark interest rates announced by the People's Bank of China. In addition, the Company has outstanding unconvertible bonds with an aggregate face value of HK\$20 million, which are due in 2020 with an annual interest rate of 5%. Further, it has issued two promissory notes in the aggregate sum of HK\$19 million with an annual interest rate of 8% as a means to settle the consideration for the acquisition of equity interests in EdKnowledge Group Limited and Able Up Investment Limited as announced by the Company on 27 November 2013 and 4 April 2014 respectively.

Taking into account of (i) the relatively low interest rate charged on the Convertible Bonds (after adjusting for the equity components imbedded in the Convertible Bonds as valued by an independent valuer) compared with the outstanding debts of the Group; (ii) the risk of interest rate increase in future for the outstanding bank loan; and (iii) the absence of any penalty for early repayment of the bank loan and early redemption of the unconvertible bonds and promissory notes issued by the Company, the Directors consider that it will be in the best interest of the Company to repay its existing debts and redeem the unconvertible bonds and promissory notes by means of the issue of the Convertible Bonds.

In addition, for the year ended 31 March 2013, the total staff costs of the Group have increased by approximately 23% from RMB12.4 million to RMB15.3 million compared to that for the year ended 31 March 2012. Such increase is mainly attributable to the annual salary increments to the Directors and other employees, including the payment of discretionary bonuses in the approximate amount of RMB2.2 million (out of which approximately RMB1.6 million was paid to the Directors and approximately RMB0.6 million to other employees), as well as additional staff costs incurred for the establishment of the money lending business.

While the salaries and the associated employees' benefits of the Directors and other staff members of the Group shall be treated as recurring expenses for the Group, the payment of discretionary bonuses is subject to annual review by the Company and shall be one-off in nature. In determining the remuneration of the Directors and employees of the Group, the performance, qualifications, duties and responsibilities of the staff as well as various factors considered by the remuneration committee of the Company had been taken into account. The Board is of the view that it is necessary for the Group to provide attractive remuneration package to its employees in order to retain the talents for the Company and to attract potential candidates to join the Group. Also, the Board considers that the Directors and its employees have endeavoured to improve the performance of the Group and to look for other investment opportunities (such as the money lending business) so as to broaden the source of income of the Group during the year ended 31 March 2013. Thus, the Company considers that the annual salary increments for the Directors and the employees of the Group, which were commensurate with their respective performance and seniority, is appropriate and is fair and reasonable.

As the Board adopts the same basis for calculating the operating cashflow of the Group, it is expected that, subject to the likely impact brought by inflation and rental income, the operating cashflow for the existing operation of the Group for the coming year would be similar to that for the year ended 31 March 2013. In order to meet the increased capital requirement of the Group, to settle the outstanding liabilities of the Group as outlined above and to fund the Group's future acquisitions and general working capital, the

LETTER FROM THE BOARD

Company considers it necessary to conduct the Placing. If the Convertible Bonds are fully placed, the gross proceeds from the Placing will be HK\$135 million. The net proceeds from the Placing of up to approximately HK\$130 million will be used for the following purposes:

Use of proceeds	Approximate amount <i>HK\$'million</i>
Loans and related interest repayment	88
Future acquisitions	16
Working capital	<u>26</u>
Total net proceeds	<u><u>130</u></u>

The Directors consider that the Placing will provide (i) the Company with immediate funding at a low interest rate to repay material debts of the Group; (ii) the Company with immediate working capital to support the Group's existing businesses; and (iii) an opportunity for the Company, if the conversion rights attached to the Convertible Bonds are exercised, to enlarge and strengthen its capital base and also broaden its Shareholders base by the introduction of new investors. The Directors have considered other fund raising alternatives such as bank borrowing, rights issue and open offer. However, since bank borrowings may incur a higher interest rate as compared to the 1% coupon rate of the Convertible Bonds and it is difficult for the Company to find an underwriter to underwrite any rights issue or open offer given the unsatisfactory financial performance of the Group over the years, the Directors consider that the placing of the Convertible Bonds is an appropriate means under the current situation of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement, the Supplemental Agreements, the terms of the Convertible Bonds (together with the Conversion Price) and the terms of the Bonus Warrants (together with the Subscription Price) are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

Further, reference is made to the Company's announcement dated 30 January 2014 in relation to the termination of a possible acquisition (the "**Possible Acquisition**"). The vendor under the Possible Acquisition has returned the deposit of HK\$25 million in cash to the Company and the remaining balance of deposit of HK\$123.2 million will be settled by means of promissory note which will be issued by a Hong Kong listed company. The Company intends to use the HK\$25 million for general working capital and financing future investment opportunities.

LETTER FROM THE BOARD

FUND-RAISING ACTIVITIES OF THE COMPANY SINCE 2012

Set out below is the fund raising activities conducted by the Company from 2012 to the Latest Practicable Date:

Date of announcement	Description	Net proceeds raised (approximate)	Intended use of proceeds	Actual use of net proceeds (approximate)
6 January 2012	Placing of new shares under general mandate	HK\$9.14 million	(i) financing the Possible Acquisition (if materialize), or financing any other acquisition opportunities identified by the Company; (ii) the possible redemption of the convertible bonds issued by the Company; (iii) money lending business; and (iv) working capital of the Group.	Used HK\$1 million for the professional fees relating to the Possible Acquisition and the remaining balance used as general working capital of the Group
25 July 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
18 January 2013 and 7 February 2013	Placing of unconvertible bonds	HK\$9.7 million	(i) Financing the Possible Acquisition (if materialized) or financing any other acquisition opportunities identified by the Company; (ii) the possible redemption of the convertible bonds issued by the Company; (iii) money lending business; and (iv) working capital of the Group	Used HK\$1.5 million for the professional fees relating to the Possible Acquisition and the remaining balance used as general working capital of the Group
9 May 2013 and 4 December 2013	Placing of unconvertible bonds	HK\$9.9 million	(i) Financing the Possible Acquisition (if materialized) or financing any other acquisition opportunities identified by the Company; (ii) the possible redemption of the convertible bonds issued by the Company; (iii) money lending business; and (iv) working capital of the Group	Held as bank deposit
16 August 2013	Placing of new shares	HK\$6.65 million	General working capital of the Group and/or for financing future investment opportunities	Wholly used as general working capital of the Group
12 September 2013	Placing of new shares	HK\$7.8 million	General working capital of the Group and/or for financing future investment opportunities	HK\$1.5 million as consideration of acquisition of EdKnowledge Group Limited and the remaining balance used as general working capital of the Group
2 October 2013	Placing of new shares	HK\$4.02 million	General working capital of the Group and/or for financing future investment opportunities	Held as bank deposit

LETTER FROM THE BOARD

Out of the fund raised by the Company as shown above, approximately HK\$38 million has been used as general working capital of the Group, which includes mortgage repayment, staff costs, professional fees and general operational costs. For the year ended 31 March 2013, the total cash used in the operating activities of the Group and mortgage repayment (including interest) amounted to approximately RMB35.7 million and RMB7.8 million respectively. Among the operating activities, the staff costs (including Directors' remuneration) accounted for approximately RMB15.3 million, statutory and professional fees (including but not limited to listing fee, audit fee, valuation fee, solicitors fee, financial advisors fee, secretarial fee, share registrars fee, companies registration fee, financial printing and translation fee incurred for various projects including the establishment of the money-lending business of the Group in April 2012, the amendments to the Company's bye-laws in June 2012, the increase in the authorised share capital of the Company and the rights issue in August 2012, the proposed placing of convertible bonds in January 2013, the placing of unconvertible bonds in January and February 2013 and other ongoing possible transactions and corporate activities) accounted for approximately RMB5.9 million, operating lease charges, rates and office management fees accounted for approximately RMB4 million, sub-lease cost accounted for approximately RMB1.7 million, expenditure on mining development accounted for approximately RMB1.3 million, properties tax accounted for approximately RMB1.2 million, repair and maintenance for investment properties accounted for approximately RMB2.5 million and general administrative expenses (including but not limited to computer expenses, electricity and water, entertainments, insurance, motor vehicles expenses, medical, staff training, office supplies, postages, repair and maintenance, telecommunication, transportation, overseas travelling) accounted for approximately RMB3.8 million.

SGM

A notice convening the SGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 22 May 2014 at 10:00 a.m. is set out on pages 25 to 27 of this circular. A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

All the resolutions proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the Placing Agreement, the Supplemental Agreements and the transactions contemplated thereunder and, accordingly, no Shareholder is required to abstain from voting at the SGM.

LETTER FROM THE BOARD

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 Group. 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 circular misleading.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement, the Supplemental Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the ordinary resolutions to approve the Placing Agreement, the Supplemental Agreements and the transactions contemplated thereunder at the SGM.

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

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

NOTICE OF SGM

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



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 IS HEREBY GIVEN that a special general meeting of China Properties Investment Holdings Limited (the “**Company**”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 22 May 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 ordinary resolutions:

ORDINARY RESOLUTIONS

“**THAT:**

- (A) the execution, delivery and performance by the Company of the placing agreement (the “**Placing Agreement**”) dated 2 January 2014 entered into between the Company and Tanrich Securities Company Limited (the “**Placing Agent**”), as varied and supplemented by the first supplemental agreement (the “**First Supplemental Agreement**”) dated 23 January 2014, the second supplemental agreement (the “**Second Supplemental Agreement**”) dated 20 February 2014 and the third supplemental agreement dated 24 April 2014 (the “**Third Supplemental Agreement**”, together with the First Supplemental Agreement and the Second Supplemental Agreement, the “**Supplemental Agreements**”) all entered into by the same parties, in relation to the issue of convertible bonds by the Company in an aggregate principal amount of HK\$135,000,000 (the “**Convertible Bonds**”) entitling the holders thereof to convert the principal amount thereof into ordinary shares of the Company (the “**Conversion Shares**”) at the initial conversion price of HK\$0.15 (subject to adjustment) per Conversion Share, a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting (the “**Chairman**”) for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (B) the execution, delivery and performance by the Company of the First Supplemental Agreement in relation to, inter alia, the issue of bonus warrants by the Company in an aggregate amount of HK\$67,500,000 (the “**Bonus Warrants**”) on the basis of one Bonus Warrant for every four Conversion Shares entitling the holders thereof to subscribe for the ordinary shares of the

* for identification purpose only

NOTICE OF SGM

Company (the “**Warrant Shares**”) at the subscription price of HK\$0.30 (subject to adjustment) per Warrant Share, a copy of which has been produced to the meeting marked “B” and initialed by the Chairman for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

- (C) the execution, delivery and performance by the Company of the Second Supplemental Agreement in respect of the amendments to certain provisions in relation to the conditions precedent of the Placing and the transferability of the Bonus Warrants, a copy of which has been produced to the meeting marked “C” and initialed by the Chairman for the purpose of identification, be and are hereby approved, ratified and confirmed;
- (D) the execution, delivery and performance by the Company of the Third Supplemental Agreement in respect of the amendments to certain provisions in relation to the principal amount of the Convertible Bonds and the corresponding changes to the principal amount of the Bonus Warrants and the Warrant Shares, a copy of which has been produced to the meeting marked “D” and initialed by the Chairman for the purpose of identification, be and are hereby approved, ratified and confirmed;
- (E) subject to the fulfilment of the conditions precedent set out in the Placing Agreement as varied and supplemented by the Supplemental Agreements, the directors of the Company (the “**Directors**”) be and are hereby authorised to issue the Convertible Bonds and the Bonus Warrants in accordance with the terms and conditions of the Placing Agreement as varied and supplemented by the Supplemental Agreements;
- (F) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Conversion Shares and the Warrant Shares; and
- (G) any Director be and is hereby authorised to exercise all powers of the Company and take all steps as might in his opinion be desirable, necessary or expedient to give effect to or in connection with the Placing Agreement as varied and supplemented by the Supplemental Agreements including without limitation to:
 - (i) the execution, amendment, supplement, delivery, submission and/or implementation of any further documents or agreements in relation to the Placing Agreement as varied and supplemented by the Supplemental Agreements, the issue of the Convertible Bonds and the Bonus Warrants and the allotment and issue of the Conversion Shares and the Warrant Shares; and

NOTICE OF SGM

- (ii) the taking of all necessary actions to implement the transactions contemplated under the Placing Agreement as varied and supplemented by the Supplemental Agreements.”

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

Hong Kong, 2 May 2014

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Room 2707-08, 27/F,
China Resources Building,
26 Harbour Road, Wanchai,
Hong Kong

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 Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 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 or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll 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.

As at the date of this notice, 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.