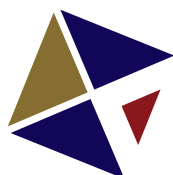


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

(I) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND (II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Financial Adviser to the Company

AMASSE CAPITAL
寶 積 資 本

Placing Agent

TANRICH

TANRICH SECURITIES COMPANY LIMITED

THE PLACING AGREEMENT

On 10 March 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 2,500,000,000 Placing Shares to not less than six Placers who and whose ultimate beneficial owner(s) will be Independent Third Parties at the Placing Price of HK\$0.1 per Placing Share, in up to four (4) tranches.

Assuming the maximum of 2,500,000,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 166.21% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 62.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$90,000,000 divided into 3,000,000,000 Shares, and the existing issued share capital is HK\$45,122,464.71 divided into 1,504,082,157 Shares. In order to create sufficient numbers of Placing Shares for the purposes of effecting the Placing and for the future expansion and growth of the Company, the Board proposes to increase the authorised share capital of the Company from HK\$90,000,000 to HK\$300,000,000 by the creation of an additional 7,000,000,000 Shares. Immediately upon the Increase in Authorised Share Capital becoming effective and assuming no further Shares will be issued or no Shares will be repurchased from the date of this announcement up to the SGM, the authorised share capital of the Company will be HK\$300,000,000 divided into 10,000,000,000 Shares, and the issued share capital of Company will be HK\$45,122,464.71 divided into 1,504,082,157 Shares. The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

SGM

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Share.

A circular containing, among other matters, further details of (i) the Placing Agreement and (ii) the Increase in Authorised Share Capital, together with a notice of SGM will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the conditions precedent under 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.

THE PLACING AGREEMENT

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

Date

10 March 2015 (after trading hours)

Issuer

The Company

Placing Agent

Tanrich Securities Company Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

It is anticipated that the Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owner(s) will be Independent Third Parties. The Placing Agent will use its best endeavour to ensure that none of the Placees (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) will hold 30% or more of the voting rights of the Company and each of two or more Placees will not hold 20% or more of the voting rights of the Company as a result of the Placing.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 2,500,000,000 Placing Shares will be placed in up to four (4) tranches. The number of the Placing Shares to be placed for each tranche shall not be less than 200,000,000 Shares.

A maximum of 2,500,000,000 Placing Shares, which represent (i) approximately 166.21% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 62.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing save for the allotment and issue of such Placing Shares).

The aggregate nominal value of the Placing Shares (with a par value of HK\$0.03 each) under the Placing will be HK\$75,000,000.

Ranking of the Placing Shares

The Placing Shares, upon issue, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.1 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the current market conditions.

The Placing Price represents:

- (i) a discount of approximately 15.25% to the closing price of HK\$0.1180 per Share as quoted on the Stock Exchange on 10 March 2015, being the date of the Placing Agreement;
- (ii) a discount of approximately 18.83% to the average closing price of HK\$0.1232 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 20.89% to the average closing price of HK\$0.1264 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Placing Agreement.

Placing commission

The Placing Agent will receive a placing commission of 1% of the aggregate amount equal to the Placing Price multiplied by the actual number of the Placing Shares being placed.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms with reference to the prevailing market conditions.

Mandate to issue the Placing Shares

The Company proposes to seek the grant of the Specific Mandate from the Shareholders at the SGM for the allotment and issue of the Placing Shares.

Conditions precedent of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- (ii) the passing of an ordinary resolution at the SGM approving the Placing Agreement and the transactions contemplated thereunder;

- (iii) the passing of an ordinary resolution at the SGM approving the Increase in Authorised Share Capital; and
- (iv) no warranties under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to each Completion Date.

In the event that the above conditions are not fulfilled on or before the Long Stop Date, the Placing Agreement and all rights and obligations thereunder will cease and terminate and neither of the parties thereto will have any claim against the other for costs, damages, compensation or otherwise except for antecedent breach of provisions of the Placing Agreement. The termination of the Placing Agreement shall not affect any accrued rights or liabilities of the parties, in particular the placing of the tranches of Placing Shares which have been completed before the termination.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing

Completion for each tranche of the Placing Shares shall take place on such Completion Date provided that all the conditions precedent applicable to that tranche of the Placing Shares have been fulfilled at the time of completion.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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, provision of educational support services and money lending business.

Reference is made to the announcement of the Company dated 28 January 2015. On 28 January 2015, the Company entered into a non-legally binding memorandum of understanding with an independent third party, pursuant to which the Company will acquire and the said independent third party will procure the sale of the entire interest in 東營市東泰生物科技有限公司 (Dongying Dongtai Biotechnology Company Limited*) (the “**Possible Acquisition**”)

Further, the Company is under preliminary negotiation with an independent third party in respect of a possible investment in a land and property development project in Canada, with an estimated investment cost of approximately HK\$68 million (the “**Possible Investment**”). The said project has approximately land area of 5.49 acre with the intention to develop as a residential site.

As at the date of this announcement, no concrete terms and plans concerning the Possible Acquisition and the Possible Investment has been reached.

Assuming the maximum of 2,500,000,000 Placing Shares are successfully placed, the gross proceeds and the net proceeds (after deduction of the relevant expenses) from the Placing will be approximately HK\$250 million and HK\$246.5 million, respectively. The net Placing Price will be approximately HK\$0.0986 per Placing Share.

The Company intends to apply the said net proceeds in the following manner:–

- (i) approximately HK\$20 million for repayment of the outstanding loans and relevant interests of the Group;
- (ii) approximately HK\$100 million for the Possible Acquisition;
- (iii) approximately HK\$68 million for the Possible Investment; and
- (iv) the remaining for future investment opportunities and general working capital of the Group.

The Directors are of the view that the Placing can provide the Company with immediate funding to repay the liabilities, reduce interests burden and strengthen the financial position of the Group, and provide working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company.

Accordingly, the Directors consider that the terms of the Placing (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES ANNOUNCED BY THE COMPANY DURING THE PAST 12 MONTHS

Set out below are the equity fund raising activities announced by the Company in the past twelve months prior to the date of this announcement:

Date of announcement	Description	Net proceeds raised (approximate)	Intended use of proceeds	Actual use of net proceeds (approximate)
2 January 2014	Placing of convertible bonds under specific mandate and issue of bonus warrant	HK\$130million from the placing of convertible bonds and HK\$4.2 million from the issue of bonus warrants	Loan and related interest repayment, general working capital of the Group and/or for financing future investment opportunities identified by the Company	HK\$30.5 million
23 January 2014				for loan and related interest
20 February 2014				repayment;
24 April 2014				HK\$30 million
7 May 2014				as consideration of acquisition of Liquan Investments Limited; HK\$7.4 million for professional fees; HK\$19 million for general working capital and the remaining balance was held as bank deposit.
19 June 2014				

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there will not be any change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon completion of the Placing:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Miss Yu Wai Fong, a non-executive Director	2,118,871	0.14	2,118,871	0.05
Ni Xiaoliang	200,000,000	13.30	200,000,000	4.99
Fan Hengfu	346,666,666	23.05	346,666,666	8.66
Gao Jian	216,666,666	14.41	216,666,666	5.41
The Placees	–	0.00	2,500,000,000	62.44
Other public Shareholders	<u>738,629,954</u>	<u>49.10</u>	<u>738,629,954</u>	<u>18.45</u>
Total	<u>1,504,082,157</u>	<u>100</u>	<u>4,004,082,157</u>	<u>100</u>

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$90,000,000 divided into 3,000,000,000 Shares, and the existing issued share capital is HK\$45,122,464.71 divided into 1,504,082,157 Shares. In order to create sufficient numbers of Placing Shares for the purposes of effecting the Placing and for the future expansion and growth of the Company, the Board proposes to increase the authorised share capital of the Company from HK\$90,000,000 to HK\$300,000,000 by the creation of an additional 7,000,000,000 Shares. Immediately upon the Increase in Authorised Share Capital becoming effective and assuming no further Shares will be issued or no Shares will be repurchased from the date of this announcement up to the SGM, the authorised share capital of the Company will be HK\$300,000,000 divided into 10,000,000,000 Shares, and the issued share capital of Company will be HK\$45,122,464.71 divided into 1,504,082,157 Shares. The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

SGM

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Share.

A circular containing, among other matters, further details of (i) the Placing Agreement and (ii) the Increase in Authorised Share Capital, together with a notice of SGM will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the conditions precedent under 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.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Days”	a day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for normal banking business during their normal business hours
“Company”	China Properties Investment Holdings Limited, a company incorporated in Bermuda with limited liability
“Completion Date”	in relation to each tranche of Placing Shares, a Business Day as soon as possible following the satisfaction of the conditions precedent applicable to that tranche of Placing Shares and on that Business Day the completion of that tranche of Placing Shares is to take place (or such date as the Company and the Placing Agent may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$90,000,000 divided into 3,000,000,000 Shares to HK\$300,000,000 divided into 10,000,000,000 Shares
“Independent Third Party(ies)”	a party(ies) who is independent of and not connected with the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30th day after the date of the SGM or 29 May 2015, whichever is earlier (or such other date as the Company and the Placing Agent may agree in writing)
“Placee(s)”	any professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of up to 2,500,000,000 Placing Shares, in up to four (4) tranches, by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Tanrich Securities Company Limited, a corporation licensed to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the SFO
“Placing Agreement”	a conditional placing agreement dated 10 March 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.1 per Placing Share
“Placing Shares”	up to a maximum of 2,500,000,000 new Shares to be placed under the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Share
“Share(s)”	ordinary shares of HK\$0.03 each in the share capital of the Company

“Shareholders”	the holders of Shares
“Specific Mandate”	a specific mandate to allot and issue new Shares to be sought from the Shareholders at the SGM to satisfy the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission
“HK\$”	the lawful currency of Hong Kong dollars
“%”	per cent.

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

Hong Kong, 10 March 2015

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

** for identification purpose only*