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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)**

### **ANNOUNCEMENT PURSUANT TO RULES 3.7 AND 3.8 OF THE TAKEOVERS CODE SUBSCRIPTION FOR NEW SHARES AND SUSPENSION OF TRADING**

This announcement is made by China Properties Investment Holdings Limited (the “**Company**”) pursuant to Rules 3.7 and 3.8 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 29 May 2015.

#### **SUBSCRIPTION FOR NEW SHARES**

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company and our director Mr. Xu Dong as guarantor (the “**Guarantor**”) entered into a legally binding agreement (the “**Agreement**”) with CSR (Hong Kong) Co. Limited (the “**Share Subscriber**”), a wholly-owned subsidiary of CRRC Corporation Limited (formerly known as “CSR Corporation Limited”) whose shares are listed on the Stock Exchange (stock code: 1766), an independent third party, on 29 May 2015 in relation to the possible subscription of 6,500,000,000 shares of HK\$0.03 each (the “**Subscription Shares**”) in the

\* *For identification purpose only*

share capital of the Company by the Share Subscriber at the price of HK\$0.1 per Subscription Share in cash (the “**Possible Subscription**”). The Subscription Shares represent approximately 162% of the existing issued share capital of the Company as at the date of this announcement.

As at the date of this announcement, the Share Subscriber does not hold any share in the Company (the “**Shares**”). Assuming there will not be any change in the issued share capital of the Company from the date of this announcement to the completion of the Possible Subscription (the “**Completion**”), the Share Subscriber shall hold approximately 61.80% Shares of the issued share capital in the Company upon Completion.

### **Formal Subscription Agreement**

Pursuant to the Agreement, the parties thereto agreed that they shall use their best endeavours to negotiate and finalize a formal subscription agreement within 10 working days from the date of the Agreement, failing which the Agreement shall be deemed as terminated and shall not bind the parties.

### **Conditions**

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

- (1) the Share Subscriber has notified the Company in writing that the Share Subscriber is satisfied with the results of its due diligence exercise conducted on the Company and its subsidiaries (the “**Group**”) and in reliance on the warranties given;
- (2) the Share Subscriber and its shareholders have obtained all necessary consent, approval, authorization, waiver or grant in accordance with any applicable laws, regulations or its articles of association;
- (3) the Shareholders approving the Agreement and the transactions contemplated thereunder;
- (4) the Company procures the Board to approve the allotment and issuance of the Subscription Shares as fully-paid to the Share Subscriber (or its nominee), the registration of the Share Subscriber (or its nominee) as the legal owner of the Subscription Shares and directors of the Company be authorized to do all such acts and thing to give effect to the above resolutions;
- (5) the Securities and Futures Commission of Hong Kong (the “**SFC**”) granting the waiver under Note 1 on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Share Subscriber to make a general offer to the shareholders of the Company for all issued shares and other securities of the Company not already owned or agreed to be acquired by the Share Subscriber as a result of the Possible Subscription (the “**Whitewash Waiver**”) to the Share Subscriber, and the Whitewash Waiver remaining not revoked;
- (6) the listing committee of the Stock Exchange granting approval for the listing of, and dealing in, the Subscription Shares, and the approval remaining not revoked; and

(7) other conditions to be agreed between the parties.

### **Warranties**

- (1) The Guarantor represents and warrants to the Share Subscriber, as at the date of end of the due diligence as agreed by the parties, the value of the net assets of the Group shall not be less than HK\$780,000,000, in which there shall be not less than HK\$130,000,000 in cash.
- (2) If at Completion, the value of the net assets of the Group is less than HK\$775,000,000, the Guarantor agrees to compensate to the Share Subscriber for double of the amount of the shortfall.
- (3) The Company and the Guarantor respectively shall provide Guarantor with the usual representations and warranties provided in similar transactions of this kind.

### **Obligations Pending Completion**

The Company undertakes to the Share Subscriber, before Completion, the Company shall ensure that all members of the Group shall not, without the prior written consent of the Share Subscriber:

- (1) carry out activities outside the scope of its ordinary course of business;
- (2) no matter whether within its normal course of business, issue any share or equity, or grant any put warrant, option, pre-emptive right on such shares or equities, or establish, increase, change, purchase, redemption, allot or issue any kind of share, equity or loan capital;
- (3) purchase fixed assets more than the accumulated value of HK\$1,000,000; or
- (4) breach the usual obligations pending Completion for similar transactions of this kind.

In accordance with Rule 3.7 of the Takeovers Code, monthly announcements will be made until announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange and the Takeovers Code (as the case may be).

### **RELEVANT SECURITIES IN ISSUE**

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company (as defined in the Takeovers Code) in issue as at the date of this announcement comprise (i) 4,018,582,157 Shares; (ii) share options which are convertible into 10,000,000 Shares; and (iii) bonus warrants with an outstanding aggregate principal amount of HK\$63,250,000.20 convertible into 210,833,334 Shares. Save for the aforesaid, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

## **Dealing Disclosure**

Associates (as defined under the Takeovers Code) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

**As at the date of this announcement, no formal agreement in relation to the Possible Subscription has been entered into and the Possible Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1:00 p.m. on 29 May 2015 and will remain suspended pending the release of further announcement in relation to the formal subscription agreement for the Possible Subscription, which is inside information of the Company.

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

Hong Kong, 3 June 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.*

*All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*