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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)

- (1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(4) RESUMPTION OF TRADING**

**Independent Financial Adviser to the Independent Board Committee
and Independent Shareholders**



大有融資有限公司
MESSIS CAPITAL LIMITED

* *For identification purpose only*

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

On 4 June 2015 (after trading hours), the Subscriber and the Company entered into the Subscription Agreement pursuant to which the Subscriber conditionally agreed to subscribe in cash for and the Company conditionally agreed to issue and allot 6,500,000,000 new Shares at the Subscription Price of HK\$0.10 per Subscription Share.

The allotment and issue of the Subscription Shares will be subject to a specific mandate to be approved by the Independent Shareholders at the SGM by ordinary resolution.

WHITEWASH WAIVER

Upon completion of the Subscription, the Subscriber and parties acting in concert with it will in aggregate hold 6,500,000,000 Shares, representing approximately 60.52% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and assuming that all outstanding options and warrants of the Company are exercised. The Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders. As a result, for the purposes of the Takeovers Code, the offer period which commenced on the date of the First Announcement will now be terminated.

The Subscriber will make an application to the Executive for the granting of the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Subscription and the Whitewash Waiver at the SGM by way of poll.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 10,000,000,000 Shares of HK\$0.03 each, of which 4,018,582,157 Shares have been allotted and issued as fully paid or credited as fully paid.

In order to conduct the Subscription, the Board proposes to increase the authorised share capital of the Company from HK\$300,000,000 divided into 10,000,000,000 Shares to HK\$600,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares, which will, upon issue as fully paid, rank *pari passu* in all respects with the Shares in issue.

SGM

The SGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Increase in Authorised Share Capital; (ii) the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares; and (iii) the Whitewash Waiver. The Subscriber has confirmed that as at the date of this announcement, the Subscriber and parties acting in concert with it do not hold any Shares or other

securities in the Company and accordingly will not vote on any of the resolutions to be proposed at the SGM. Independent Shareholders who do not have a material interest or who are not involved in or interested in the Subscription and the Whitewash Waiver may vote on the aforesaid resolutions. As Miss Yu Wai Fong, who is a non-executive Director and a Shareholder, was involved in the negotiation of the Subscription Agreement, Miss Yu Wai Fong will be required to abstain from voting at the resolution to be proposed at the SGM. Except for Ms. Yu Wai Fong, no other Directors hold Shares. As at the date of this Announcement, no other Directors or Shareholders are required to abstain from voting at the resolution to be proposed at the SGM.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. Messis Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription and the Whitewash Waiver. Messis Capital Limited is a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. The appointment of Messis Capital Limited has been approved by the Independent Board Committee.

A circular containing, among other things, (i) further information on the Increase in Authorised Share Capital, the Subscription and the Whitewash Waiver; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the SGM and a form of proxy will be despatched to the Shareholders in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:25 a.m. on 9 June 2015. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 June 2015.

If the Whitewash Waiver is not granted or any of the conditions precedent to the completion of the Subscription is not satisfied, the Subscription may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or other securities of the Company.

Completion of the Subscription is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.

Reference is made to the announcements of the Company dated 3 June 2015, 4 June 2015 and 8 June 2015 in relation to a possible issue of new Shares. This is an announcement containing, among other matters, principal terms of the Subscription Agreement.

PROPOSED ISSUE OF NEW SHARES

On 4 June 2015 (after trading hours), the Subscriber and the Company entered into the Subscription Agreement pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 6,500,000,000 new Shares at the Subscription Price of HK\$0.10.

Principal terms of the Subscription Agreement

Date:

4 June 2015 (after trading hours)

Parties:

- (a) The Company, as the issuer of the Subscription Shares; and
- (b) The Subscriber, as the subscriber of the Subscription Shares.

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

Total subscription consideration: HK\$650,000,000

Subscription Price per Subscription Share: HK\$0.10

Nominal Value per Subscription Share: HK\$0.03

Aggregate nominal value of Subscription Shares: HK\$195,000,000

The Subscription Shares represent:

- (a) approximately 162% of the existing issued share capital of the Company;
- (b) approximately 61.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change to the issued share capital of the Company); and

- (c) approximately 60.52% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change to the issued share capital of the Company other than the exercise of all outstanding options and warrants).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.10 per Subscription Share represents:

- (a) a discount of approximately 88.37% to the closing price of HK\$0.860 per Share on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 91.42% to the average closing price of approximately HK\$1.166 per Share for the last 5 trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 90.17% to the average closing price of approximately HK\$1.017 per Share for the last 30 trading days up to and including the Last Trading Day.

The net aggregate proceeds from the Subscription, after deduction of relevant expenses (including but not limited to the legal expenses and disbursements), are estimated to be approximately HK\$646 million. The net price per Subscription Share is approximately HK\$0.099 after deduction of relevant expenses of the Subscription.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the average closing price of the Shares on the Stock Exchange before entering into the legally binding agreement as disclosed in the announcement of the Company dated 3 June 2015 and the recent financial position of the Group including the net asset value of the Group as at 30 September 2014 as adjusted with a placing of new Shares as announced on 28 May 2015. The Directors (other than the Independent non-executive Directors who will opine after having been advised by the independent financial adviser) consider that the Subscription Agreement has been entered into upon normal commercial terms and the terms of the Subscription Agreement (including, without limitation, the Subscription Price) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions for the Subscription

Completion is conditional upon the satisfaction (if applicable, waiver) of the following conditions:

1. the Subscriber has notified the Company in writing that the Subscriber is satisfied, in reliance on the relevant warranties, with the results of its due diligence exercise conducted on each Group member;
2. the Subscriber and its shareholders have obtained all necessary consent, approval, authorization, waiver or grant in accordance with any applicable laws, regulations or their respective articles of association including resolution of the sole director of the Subscriber and approval from the board of the Subscriber's parent, CRRC Corporation Limited in respect of, among others, the Subscription Agreement and the transaction contemplated thereunder;
3. the Shareholders (the relevant shareholders who are entitled to vote in accordance with the Listing Rules and the Takeovers Code or allowed to vote by the Stock Exchange) approving the Subscription Agreement and the transactions contemplated thereunder, including:
 - (a) approving and granting the Specific Mandate;
 - (b) approving the Subscription and the transactions contemplated thereunder; and
 - (c) the passing of a resolution by the Independent Shareholders approving the Whitewash Waiver;
4. on the date as agreed between Mr. Xu and the Subscriber, being the date of completing the due diligence on the Group, the net assets value 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;
5. the Executive granting approval of the Whitewash Waiver in respect of the Subscription, and the Whitewash Waiver not being revoked;
6. the Listing Committee granting approval for the listing of, and dealing in, the Subscription Shares, and the approval not being revoked;
7. the Subscriber has received a legal opinion in respect of Bermuda laws to its satisfaction in all aspects from the Company's Bermuda legal counsel;
8. the Subscriber has received a legal opinion in respect of Hong Kong laws to its satisfaction in all aspects from the Company's Hong Kong legal counsel;
9. the Subscriber has received a legal opinion in respect of PRC laws to its satisfaction in all aspects from the Company's PRC legal counsel;

10. the listing status of the Shares on the Stock Exchange has not been cancelled or revoked, the Shares continue to be traded on the Stock Exchange from the date of the Subscription Agreement to the Completion Date (except for the trading halt in relation to the Subscription Agreement), and the SFC and the Stock Exchange have not indicated to restrict, object, suspend, cancel or revoke the listing status and/or dealings in the Shares (including the Subscription Shares), and there are no matters that may lead to the exercise of its power under rule 9 of The Securities (Stock Exchange Listing) Rules 1989 by the SFC;
11. all consents and approvals which are considered by the Subscriber to be necessary and required to be granted by third parties (including government, official authorities, creditors and all other relevant parties) for the Subscription Shares have already been obtained and in the form and substance to the satisfaction of the Subscriber, and such consent and approval shall not be conditional upon any condition for Completion which has not been satisfied or waived by the Subscriber and shall remain in full force, and there is no enactment, regulation or decision recommended, formulated or made by any government or official authority which would forbid, restrict or cause serious delay to the Subscription or the operation of any Group member after Completion. The approval contemplated includes the approval from the board of the Subscriber's parent company, CRRC Corporation Limited in respect of, among others, the Subscription Agreement and the transaction contemplated thereunder;
12. there is no order, writ, injunction or decree which is still valid and would restrict, forbid, invalidate or cause serious delay to the transactions contemplated under the Subscription Agreement, and no enactment, regulation, rule or other regulation enacted or formulated which is still valid and would restrict, forbid, invalidate or cause serious delay to the transactions contemplated under the Subscription Agreement, made by any courts having jurisdiction, governmental departments or regulatory bodies;
13. there are no pending litigation or other proceedings brought by any third parties in any court or governmental organizations to restrain or forbid the transactions contemplated under the Subscription Agreement, declare such transactions as illegal or seek substantial damages against transactions, nor there are such threatened litigation or proceedings by third parties;
14. the warranties of the Subscription Agreement remain true, accurate and not misleading in all material respect as at Completion, which are deemed to be repeated at Completion and at any time from the date of the Subscription Agreement up to Completion;
15. the Company has fully performed its obligations pending Completion pursuant to the Subscription Agreement, and has performed all undertakings and agreements thereunder in all material respects; and
16. there has been no material adverse change since the date of the Subscription Agreement.

The Subscriber may at its discretion by written notice to the Company waive the compliance of all or any of the above conditions any time, except the conditions stated in items 3, 5 and 6 above which are not capable of being waived by the Subscriber nor the Company.

If the above conditions have not been fully fulfilled, satisfied or, if applicable, waived on or before the Long Stop Date (or such other date as may be agreed between the parties to the Subscription Agreement), the Subscriber shall be released from further performing its obligations under the Subscription Agreement and the Subscription Agreement shall be of no further effect, save for the terms relating to the termination rights of the Subscriber as provided for in the Subscription Agreement or in respect of any claims arising from the antecedent breach of the Subscription Agreement.

Completion

Completion shall take place on the Completion Date. On such date the Company will allot and issue the Subscription Shares as fully paid upon the payment of the total subscription consideration under the Subscription Agreement, and the Company understands from the Subscriber that it and/or its nominated wholly-owned subsidiaries will take up the Subscription Shares.

Warranty Deed

On 4 June 2015 (after trading hours), Mr. Xu entered into the Warranty Deed with the Subscriber to give customary representations and warranties. In particular, Mr. Xu has undertaken that if the net asset value of the Group as at the date as agreed between Mr. Xu and the Subscriber, being the date of completing the due diligence on the Group, is less than HK\$775,000,000, Mr. Xu shall pay in cash two times the amount of any shortfall to the Subscriber.

All warranties given by Mr. Xu under the Warranty Deed are in addition to, and independent of, the warranties given by the Company under the Subscription Agreement and are supplemental to the warranties given by the Company under the Subscription Agreement.

Mr. Xu and parties acting in concert with him do not have any arrangements, agreements or relationships (financial, business or otherwise, both formal and informal, and past, present and contemplated) with the Subscriber and parties acting in concert with it.

Information of the Subscriber

The Subscriber is a company incorporated in Hong Kong, which is wholly owned and controlled by CRRC Corporation Limited (formerly known as “CSR Corporation Limited”), a joint stock limited company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601766) and the Stock Exchange (stock code: 1766). The Subscriber’s principal activities include marketing, sales of products, trading, after-sales services and capital management. As at the date of this announcement, the sole director of the Subscriber is Mr. Guo Bingqiang.

Dealings and interest held in the Company's securities by the Subscriber and its concert parties

As at the date of this announcement, save for the Subscription, (i) the Subscriber and parties acting in concert with it do not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (ii) the Subscriber and parties acting in concert with it did not borrow or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the Subscription and the Whitewash Waiver, with any other persons; (iv) there is no agreement or arrangement to which the Subscriber or any of its parties acting in concert is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription and the Whitewash Waiver; and (v) none of the Subscriber or parties acting in concert with it has received any irrevocable commitment to vote for or against the Subscription or the Whitewash Waiver.

The Subscriber has confirmed that neither the Subscriber nor the parties acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the First Announcement, and none of them holds any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

Application for Whitewash Waiver

Immediately after Completion, the Subscriber and parties acting in concert with it will in aggregate be interested in 6,500,000,000 Shares, representing approximately 162% of the existing issued share capital of the Company as at the date of this announcement and approximately 60.52% of the enlarged issued share capital of the Company (assuming that there is no change in the issued share capital of the Company since the date of the Subscription Agreement and up to Completion) other than the issue of the Subscription Shares and all outstanding options and warrants of the Company are exercised. Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and any parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. In this regard, the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of poll.

The Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders. As a result, for the purposes of the Takeovers Code, the offer period which commenced on the date of the First Announcement will now be terminated.

If the Whitewash Waiver is approved by the Independent Shareholders, the aggregate shareholding of the Subscriber and parties acting in concert with it in the Company will exceed 50%. Subject to paragraph 7 of Schedule VI of the Takeovers Code, the Subscriber and parties acting in concert with it may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

The view and recommendation of the independent financial adviser in respect of the Subscription and the terms thereof and the Whitewash Waiver will be set out in a circular to be issued by the Company to Shareholders as required by the Takeovers Code and the Listing Rules.

REASONS FOR THE SUBSCRIPTION AND INTENDED 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.

It is the current intention of the Subscriber for the Group to continue with its existing businesses, and to explore opportunities thereon. Following the Completion, the Subscriber intends to undertake a detailed strategic review on the Group for the purpose of formulating business plans and strategies for the future business development of the Group and determining what changes, if any, would be appropriate or desirable in order to optimize and rationalise the business activities of the Group. As at the date of this announcement, the Subscriber has not formulated definitive proposals, terms or timetable for any possible future acquisitions and no agreements for any possible future acquisitions have been entered into. The Company will comply with all applicable requirements of the Listing Rules and/or the Takeovers Code as and when appropriate.

The gross proceeds from the Subscription would amount to HK\$650 million. The net proceeds of approximately HK\$646million are intended to be utilized by the Company to support the development of the existing businesses of the Group and for future investment opportunities and general working capital purposes.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 10,000,000,000 Shares of HK\$0.03 each, of which 4,038,582,157 Shares have been allotted and issued as fully paid or credited as fully paid. Under the Subscription, the Company will be required to issue an aggregate of 6,500,000,000 Shares. In order to conduct the Subscription, the Board proposes to increase the authorised share capital of the Company from HK\$300,000,000 divided into 10,000,000,000 Shares to HK\$600,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares, which will, upon issue as fully paid, rank *pari passu* in all respects with the Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Company will seek a specific mandate from the Independent Shareholders at the SGM for the allotment and issue of the Subscription Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE 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)
28 May 2015	Placing of shares	HK\$246.5 million	(1) Repayment of outstanding loans and relevant interests of the Group; (2) acquisition of Dongying Dongtai Biotechnology Company Limited (<i>note</i>); (3) investment in a land and property development project in Canada (<i>note</i>); and (4) for future investment opportunities and general working capital of the Group	(1) HK\$0.7 million for professional fees; (2) HK\$1.5 million for general working capital; and (3) the remaining balance was held as bank deposit.

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\$130 million 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	(1) HK\$33.7 million for loan and related interest repayment;
23 January 2014				(2) HK\$30 million as consideration of acquisition of Liquor Investments Limited;
20 February 2014				(3) HK\$7.4 million for professional fees;
24 April 2014				(4) HK\$19 million for general working capital and the remaining balance was held as bank deposit.
7 May 2014				
19 June 2014				

Note: As at the date of this announcement, these projects are still under consideration by the Company.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 4,038,582,157 Shares in issue and save for (i) share options which are outstanding and exercisable into 10,000,000 Shares; and (ii) bonus warrants with an outstanding aggregate principal amount of HK\$57,250,000.20 exercisable into 190,833,332 Shares, the Company does not have any other outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares. The shareholding structure of the Company (a) as at the date of this announcement; (b) after the Completion (assuming

that there is no change to the issued share capital of the Company); and (c) after the Completion (assuming that there is no change to the issued share capital of the Company other than the exercise of all outstanding options and warrants) are as follows:

	As at the date of this announcement		Immediately after Completion		Immediately after Completion (assuming all outstanding options and warrants are exercised)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Miss Yu Wai Fong, a non-executive Director	12,118,871	0.30	12,118,871	0.11	12,118,871	0.11
Mr. Xu and parties acting in concert with him	-	-	-	-	10,000,000	0.09
Fordjoy Securities and Futures Limited (<i>Note</i>)	225,000,000	5.57	225,000,000	2.14	225,000,000	2.10
Public Shareholders	3,801,463,286	94.13	3,801,463,286	36.07	3,992,296,618	37.18
Subscriber and parties acting in concert with it	-	-	6,500,000,000	61.68	6,500,000,000	60.52
Total	4,038,582,157	100	10,538,582,157	100	10,739,415,489	100

Note: Fordjoy Securities and Futures Limited is controlled as to 76% by Yuen Shu Ming who is independent of the Company and the Subscriber and parties acting in concert with the Subscriber. This disclosure is prepared based on disclosure of interest forms. The Company is not aware of the identity of the remaining shareholders of Fordjoy Securities and Futures Limited.

SGM

The SGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other things, (i) the Increase in Authorised Share Capital; (ii) the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares; and (iii) the Whitewash Waiver. As at the date of this announcement, the Subscriber and parties acting in concert with it do not hold any Shares or other securities in the Company and accordingly are not entitled to vote on any of the resolutions to be proposed at the SGM. Only Shareholders who do not have a material interest or who are not involved in or interested in the Increase in Authorised Share Capital, the Subscription or the Whitewash Waiver can vote on the aforesaid resolutions at the SGM. As Miss Yu Wai Fong, who is a non-executive Director and a Shareholder, was involved in the negotiation of the Subscription Agreement, Miss Yu Wai Fong will be required to abstain from voting at the resolution to be proposed at the SGM. Except for Ms. Yu Wai Fong, no other Directors hold Shares. As at the date of this Announcement, no other Directors or Shareholders are required to abstain from voting at the resolution to be proposed at the SGM.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. Messis Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription and the Whitewash Waiver. Messis Capital Limited is a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. The appointment of Messis Capital Limited has been approved by the Independent Board Committee.

A circular containing, among other things, (i) further information on the Increase in Authorised Share Capital, the Subscription and the Whitewash Waiver; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the SGM and a form of proxy will be despatched to the Shareholders in due course.

If the Whitewash Waiver is not granted or any of the conditions precedent to the Completion is not satisfied, the Subscription may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or other securities of the Company.

Completion is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or any other securities of the Company.

TAKEOVERS CODE

Upon signing of the Subscription Agreement on 4 June 2015, the Company should have filed a draft announcement containing the requirements of the Takeovers Code including those disclosure requirements under Rule 3.5 and the responsibility statement under Rule 9.3 of the Takeovers Code with the Executive for comment prior to publication in accordance with Rule 12.1 of the Takeovers Code. However, the Company did not file the 4 June Announcement and the 8 June Announcement with the Executive for comment prior to their publication and regrets its non-compliance with Rule 12.1 of the Takeovers Code.

The reason for non-compliance with Rule 12.1 of the Takeovers Code in respect of the 4 June Announcement was that the Company considered (which was wrong) at the relevant time that since the material terms of the Subscription Agreement were substantially the same as those under the first agreement which has been disclosed in the Company's announcement dated 3 June 2015, the Company need not file the 4 June Announcement with the Executive for comment. The 8 June

Announcement was not filed with the Executive for comment prior to publication as the Company wrongly considered that since the 8 June Announcement did not contain requirements of the Takeovers Code, it was not required to be filed with the Executive for comment prior to its publication.

The Directors confirm that they have jointly and severally accepted full responsibility for the accuracy of the information contained in the 4 June Announcement and the 8 June Announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the 4 June Announcement and the 8 June Announcement have been arrived at after due and careful consideration and there are no other facts not contained in the 4 June Announcement and the 8 June Announcement, the omission of which would make any statement in the 4 June Announcement and the 8 June Announcement misleading.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:25 a.m. on 9 June 2015. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 June 2015.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“4 June Announcement”	the announcement of the Company dated 4 June 2015 in relation to, among other matters, the signing of the Subscription Agreement
“8 June Announcement”	the announcement of the Company dated 8 June 2015 in relation to, among other matters, clarification of matters regarding the Subscription Agreement
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	means a day on which licensed banks in Hong Kong are generally open for business (other than Saturday, Sunday and public holiday)
“Completion”	completion of the Subscription

“Completion Date”	the date to be agreed between the parties in writing on which the Completion shall take place, which shall be after the Subscriber having notified the Company in writing that the conditions precedent to the Subscription Agreement are fulfilled (or waived) to the satisfaction of the Subscriber and in any event within 5 Business Days from the date of such notice
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of such Executive Director
“First Announcement”	the announcement of the Company dated 3 June 2015 in relation to the possible Subscription of Subscription Shares, the terms of which are further described in this announcement
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$300,000,000 divided into 10,000,000,000 Shares to HK\$600,000,000 divided into 20,000,000,000 Shares by the creation of additional 10,000,000,000 Shares
“Independent Board Committee”	the independent board committee comprising of Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah, all being the independent non-executive Directors, formed to consider the terms of the Subscription Agreement and the transactions contemplated under the Subscription Agreement and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than those who have a material interest or who are involved in or interested in the Subscription and the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons as defined under the Listing Rules
“Last Trading Day”	29 May 2015, being the last trading day immediately prior to the date of the Subscription Agreement

“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing approval
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 November 2015
“Mr. Xu”	Mr. Xu Dong, the chairman and executive director of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“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 to approve, among other things, (i) the Increase in Authorised Share Capital; (ii) the Subscription Agreement; and (iii) the Whitewash Waiver
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Subscriber”	CSR (Hong Kong) Co. Limited, a limited liability company incorporated in Hong Kong, which is wholly owned and controlled by CRRC Corporation Limited (formerly known as “CSR Corporation Limited”), a joint stock limited company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601766) and the Stock Exchange (stock code: 1766)
“Subscription”	the subscription of the Subscription Shares by the Subscriber (or its nominee(s)) pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 4 June 2015 entered into between the Company and the Subscriber in relation to the Subscription

“Specific Mandate”	a specific mandate to be granted to the Directors in relation to the proposed allotment and issue of the Subscription Shares to be approved by the Independent Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	6,500,000,000 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.10 per Subscription Share under the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warranty Deed”	the warranty deed dated 4 June 2015 entered into between the Subscriber and Mr. Xu in relation to the Subscription
“Whitewash Waiver”	a waiver by the Executive from the obligation of the Subscriber and parties acting in concert with it to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code as a result of the Subscription
“%”	per cent.

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

Hong Kong, 19 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Subscriber and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber and parties acting in concert with it) 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.

As at the date of this announcement, the sole director of the Subscriber is Mr.Guo Bingqiang.

The sole director of the Subscriber accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors and the Company) have been arrived at after due and careful consideration and there are no other facts no contained in this announcement, the omission of which would make any statement in this announcement misleading.