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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)

PROPOSED PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



鼎成證券有限公司
GRANSING SECURITIES CO., LIMITED

Gransing Securities Co., Limited

THE PLACING AGREEMENT

On 27 October 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 809,000,000 Placing Shares to not less than six Places at the Placing Price of HK\$0.19 per Placing Share.

Assuming the maximum of 809,000,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 19.98% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.65% 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 General Mandate.

* *For identification purpose only*

Shareholders and potential investors should note that Completion 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

27 October 2015 (after trading hours)

Issuer

The Company

Placing Agent

Gransing Securities Co., 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. Further announcement will be made by the Company in the event that the number of Placees is less than six.

Number of the Placing Shares

A maximum of 809,000,000 Placing Shares, which represent (i) approximately 19.98% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.65% 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 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\$24.27 million.

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\$0.19 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 market conditions.

The Placing Price represents:

- (i) a discount of approximately 16.3% to the closing price of HK\$0.227 per Share as quoted on the Stock Exchange on 27 October 2015, being the date of the Placing Agreement;
- (ii) a discount of approximately 19.1% to the average closing price of HK\$0.235 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 22.4% over the average closing price of HK\$0.245 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 Placing Price of the Placing Shares which it has procured the Placees to subscribe for upon Completion.

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.

General mandate to issue the Placing Shares

The Placing Shares will be issued under the general mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 809,716,431 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

The Placing is therefore not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Conditions precedent of the Placing

Completion of the Placing is conditional upon:

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Company shall use its best endeavours to procure the fulfilment of the above conditions precedent and in the event the above conditions precedent are not fulfilled by 14 Business Days after the date of the Placing Agreement (or such later date as the Company and the Placing Agent may agree), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties thereto shall have any claim against the others in respect of the Placing save for any antecedent breach.

Application for listing

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

Completion of the Placing

Completion shall take place on the Completion Date.

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 of the People's Republic of China, provision of educational support services and money lending business.

Assuming the maximum of 809,000,000 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\$153.70 million and HK\$152.00 million, respectively. The net Placing Price will be approximately HK\$0.188 per Placing Share.

The Company intends to apply the said net proceeds in the following proportion (i) approximately 65% for money lending business of the Group; (ii) approximately 10% for repayment of debts and related interest; and (iii) approximately 25% for working capital of the Group and future investment(s) and acquisition(s) as may be identified by the Company as and when appropriate.

The Directors are of the view that the Placing would 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 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) |
|--|--------------------|--|---|--|
| 10 March 2015 28 May 2015 15 July 2015 | Placing of shares | HK\$246.5 million | (1) investment in a land and property development project in Canada; and (2) for future investment opportunities and general working capital of the Group. | (1) HK\$2 million for professional fees; (2) HK\$3.5 million for general working capital; (3) HK\$185 million for investment in private equity fund; (4) HK\$18 million for investment in a land and property development project in Canada; and (5) the remaining balance was held as bank deposit. |

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, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon Completion:

| | 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> |
| Mr. Xu Dong, the chairman and executive Director | 10,000,000 | 0.25 | 10,000,000 | 0.21 |
| Miss Yu Wai Fong, a non-executive Director | 2,118,871 | 0.05 | 2,118,871 | 0.04 |
| The Places | – | – | 809,000,000 | 16.65 |
| Other public Shareholders | <u>4,036,463,286</u> | <u>99.70</u> | <u>4,036,463,286</u> | <u>83.10</u> |
| Total | <u><u>4,048,582,157</u></u> | <u><u>100</u></u> | <u><u>4,857,582,157</u></u> | <u><u>100</u></u> |

Shareholders and potential investors should note that Completion 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:

| | |
|----------------|--|
| “AGM” | the annual general meeting of the Company held on 26 August 2015 |
| “Board” | the board of Directors |
| “Business Day” | a day (other than Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business |
| “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” | the completion of the Placing pursuant to the Placing Agreement |
| “Completion Date” | third (3rd) Business Day after the date on which all the conditions precedent under the Placing Agreement are satisfied (or such other 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 |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “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 |
| “Placee(s)” | any person or entity whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement |
| “Placing” | the placing of up to 809,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement |
| “Placing Agent” | Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Placing Agreement” | a conditional placing agreement dated 27 October 2015 entered into between the Company and the Placing Agent in relation to the Placing |
| “Placing Price” | HK\$0.19 per Placing Share |

| | |
|-------------------|--|
| “Placing Shares” | a maximum of 809,000,000 new Shares to be placed under the Placing Agreement |
| “Share(s)” | ordinary shares of HK\$0.03 each in the share capital of the Company |
| “Shareholders” | the holders of Shares |
| “Stock Exchanges” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 27 October 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 Ms. Yu Wai Fong, and the independent non-executive Directors are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah.