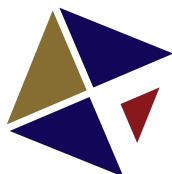


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## **CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED**

**中國置業投資控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 736)**

### **DISCLOSEABLE TRANSACTION IN RESPECT OF THE DISPOSAL OF EQUITY INTEREST IN TWO WHOLLY-OWNED SUBSIDIARIES**

#### **THE SPA**

On 17 February 2016 (after trading hours), the Company, as vendor, and the Purchaser entered into the SPA, pursuant to which (i) the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares at the Consideration of HK\$64,800,000 payable by the Purchaser in accordance with the terms and conditions of the SPA and (ii) the Company and the Purchaser have conditionally agreed to effect the Deed(s) of Assignment upon Completion.

#### **THE LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

#### **THE SPA**

##### **Date**

17 February 2016 (after trading hours)

##### **Parties**

(i) Company : China Properties Investment Holdings Limited;

(ii) Purchaser : 白宇 (Bai Yu\*);

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is an independent third party of the Company and its connected persons.

### **Assets to be disposed**

The Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire equity interest of the Target Companies. The principal asset of the Disposal Group, consisting of the Target Companies and their subsidiaries, is the Mining License held by the Mining Company.

The Company and the Purchaser have also conditionally agreed to effect the Deed(s) of Assignment upon Completion in respect of the Assigned Debts due from the Disposal Group to the Company.

### **Consideration**

The Consideration is HK\$64,800,000 payable in cash and shall be satisfied in the following manner:

- (i) the first instalment in the sum of HK\$21,600,000 shall be paid on or before 29 February 2016;
- (ii) the second instalment in the sum of HK\$21,600,000 shall be paid on or before 31 March 2016;  
and
- (iii) the third instalment in the sum of HK\$21,600,000 shall be paid on or before 30 June 2016.

The Consideration was determined after arm's length negotiation between the Company and the Purchaser with reference to the carrying amount of the Group's interest in the mining rights of the Mine.

### **Conditions precedent**

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

- (i) completion of the due diligence exercise on the Disposal Group to the reasonable satisfaction of the Purchaser;
- (ii) the Company having obtained the approval by the Shareholders (or independent Shareholders, if required) for the sale of the Sale Shares and all other transactions contemplated under the SPA, if required, in compliance with the requirements of the Listing Rules; and

- (iii) the Company complying with all applicable laws, regulations and rules in Hong Kong or elsewhere including but not limited to those under the Listing Rules and the requirements, instructions and indications, etc. of the Stock Exchange in relation to the SPA and the transactions contemplated thereunder.

The Purchaser may in its absolute discretion waive condition (i) above at any time by notice in writing to the Company. Save for aforementioned, none of the above conditions can be waived. If all the conditions have not been fulfilled on or before 31 March 2016 or any other date as agreed in writing between the parties to the SPA, the SPA shall be terminated forthwith and each party to the SPA shall have no liability to the other party save and except for any antecedent breaches of the terms thereof.

### **Completion**

Completion shall take place on the first Business Day after the fulfillment (or waiver) of the above conditions or such other date as the parties to the SPA may agree in writing.

Upon Completion, the Company shall cease to hold any interest in the Disposal Group and the Disposal Group will cease to be subsidiaries of the Company.

The Company and the Purchaser will effect the Deed(s) of Assignment in respect of the Assigned Debts due from the Disposal Group to the Company upon Completion.

### **Escrow**

The share certificates and relevant escrow documents in respect of the Sale Shares will be released to the Purchaser (or its nominee(s)) upon the Company's receipt of full payment of the Consideration.

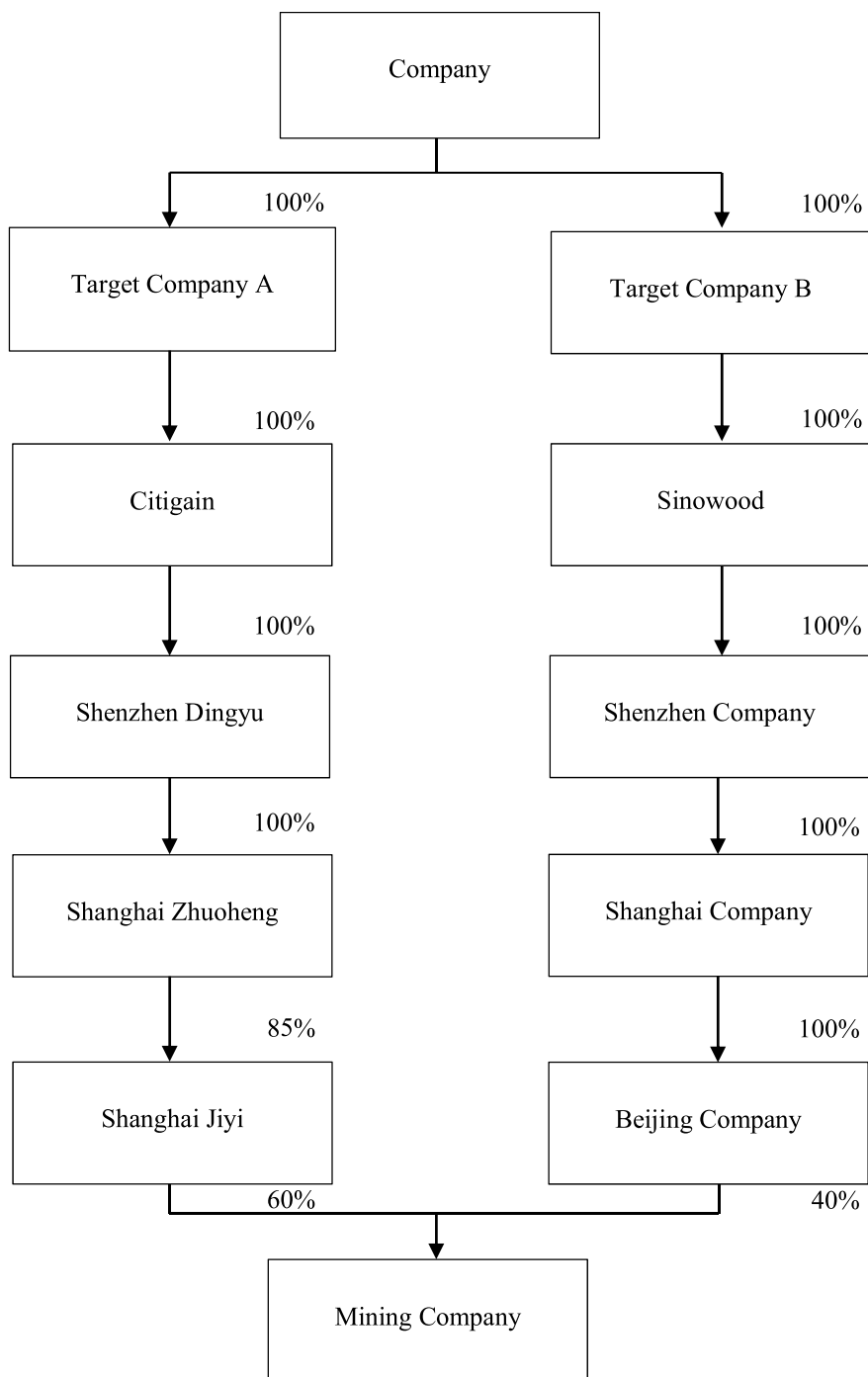
### **INFORMATION ON THE DISPOSAL GROUP**

The Disposal Group represents the whole principal business segment of the Group in the business of exploitation of copper and molybdenum in a mine located in the Inner Mongolia of the Group and is comprised of:

1. Target Company A, a direct subsidiary of the Company, is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.
2. Target Company B, a direct subsidiary of the Company, is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.
3. Citigain, a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Target Company A, and in turn is an indirect subsidiary of the Company.

4. Shenzhen Dingyu, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Citigain, and in turn is an indirect subsidiary of the Company.
5. Shanghai Zhuoheng, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Shenzhen Dingyu, and in turn is an indirect subsidiary of the Company.
6. Shanghai Jiye, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly owned as to 85% by Shanghai Zhuoheng, and in turn is an indirect subsidiary of the Company.
7. Sinowood, a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Target Company B, and in turn is an indirect subsidiary of the Company.
8. Shenzhen Company, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Sinowood, and in turn is an indirect subsidiary of the Company.
9. Shanghai Company, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Shenzhen Company, and in turn is an indirect subsidiary of the Company.
10. Beijing Company, a company established in the PRC with limited liability and is principally engaged in investment holding. It is directly wholly-owned by Shanghai Company, and in turn is an indirect subsidiary of the Company.
11. Mining Company, a company established in the PRC with limited liability and the holder of the Mining License. It is directly owned as to 60% by Shanghai Jiye and 40% by Beijing Company, and in turn is an indirect 91% owned subsidiary of the Company.

Set out below is the shareholding structure of the Disposal Group as at the date of this announcement:



## Financial information of the Disposal Group

The unaudited consolidated net profit before and after taxation of the Disposal Group for each of the two financial years ended 31 March 2014 and 2015 are set out below:

	For the financial year ended	
	31 March	
	2014	2015
	( <i>approximate</i> <i>RMB'000</i> )	( <i>approximate</i> <i>RMB'000</i> )
Net loss before taxation	5,348	3,576
Net loss after taxation	5,348	3,576

The unaudited consolidated net assets of the Disposal Group as at 30 September 2015 was approximately RMB0.4 million (equivalent to approximately HK\$0.46 million).

### FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Based on the unaudited net asset value of the Disposal Group as at 30 September 2015, it is estimated that the Group will record a loss of approximately RMB8.8 million (before tax) from the Disposal after deducting the expenses attributable to the Disposal of approximately RMB0.5 million. Shareholders should note that the actual amount of the gain or loss (as the case may be) on the Disposal to be recognized in the consolidated financial statements of the Company depends on the net asset value of the Disposal Group as at the date of Completion and therefore may be different from the amount mentioned above.

Upon Completion, the Company will cease to hold any equity interest of the Disposal Group and the results of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

Upon Completion, the gross and net proceeds that arise from the Consideration from the Disposal will be approximately HK\$64,800,000 and HK\$64,200,000 respectively. The Board intends to apply the net proceeds from the Disposal for the general working capital of the Remaining Group, money lending business and/or acquisition purpose if opportunity arises.

### REASONS AND BENEFITS OF THE DISPOSAL

The Mining Company was acquired by the Group several years ago when the commodity market was relatively stable and positive. With the recent depression of commodity market, the fair value of the Group's mining right has decreased substantially in recent years.

It is also expected that after Completion, the overall gearing position of the Remaining Group will be improved and it will generate funds for higher return in money lending business and/or potential investment to enhance the value of the Company and the Shareholders as a whole.

Having considered the reasons for and benefits of the Disposal as mentioned above, the Directors are of the view that the terms of the SPA are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an investment holding company and the principal activities of the Group are investment holding, property investment, investing in mining activities, provision of educational support services and money lending. The Group comprises the Disposal Group and the Remaining Group.

The Disposal Group is principally engaged in the business of exploitation of copper and molybdenum in a mine located in the Inner Mongolia of the Group.

The Remaining Group is principally engaged in the businesses of investment holding, property investment, provision of educational support services and money lending.

## **THE LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Assigned Debts”	the interest-free and unsecured debts owed by the Disposal Group to the Company and its associates (if any) as at Completion, and for indication purpose, such debts are in the total sum of approximately RMB62 million as at 30 September 2015
“Beijing Company”	北京海創天元貿易有限公司 (Beijing Hai Chuang Tianyuan Trading Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by the Shanghai Company
“Board”	the board of Directors

“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong
“Citigain”	Citigain Holdings Limited 裕創集團有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Target Company A
“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 Disposal pursuant to the SPA
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$64,800,000 payable by the Purchaser to the Company for the purchase of the Sale Shares pursuant to the SPA
“Deed(s) of Assignment”	the deed(s) of assignment to be executed by the Company as assignor in favour of the Purchaser (or its nominee(s)) in respect of the Assigned Debts due from the Disposal Group to the Company at nil consideration in a form to be agreed between the parties thereto
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the SPA
“Disposal Group”	collectively, the Target Companies, Citigain, Shenzhen Dingyu, Shanghai Zhuoheng, Shanghai Jiyi, Sinowood, Shenzhen Company, Shanghai Company, Beijing Company and Mining Company, being subsidiaries of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Mine”	克什克騰旗大地礦業有限公司永勝礦區銅、鉬、鉛、鋅、銀礦, a copper and molybdenum mine located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC* (內蒙古自治區赤峰市克什克騰旗三義鄉永勝村經棚鎮)
“Mining Company”	克什克騰旗大地礦業有限責任公司 (Keshi Ketengqi Great Land Mine Industries Company Limited*), a company incorporated in the PRC with limited liability and is owned as to 60% by Shanghai Jiye and as to 40% by Beijing Company, which in turn is an indirect 91% owned subsidiary of the Company
“Mining License”	the mining license no. C1500002011013210107036 held by the Mining Company under which the Mining Company shall have the right to conduct mining and exploitation works for copper and molybdenum in the Mine
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Purchaser”	白宇 (Bai Yu*)
“Remaining Group”	the Group excluding the Disposal Group
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire equity interest of the Target Companies
“Shanghai Company”	上海躍寶商貿有限公司 (Shanghai Yue Bao Trade Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by the Shenzhen Company
“Shanghai Jiye”	上海吉譯實業有限公司 (Shanghai Jiye Shiye Limited Company*), a company incorporated in the PRC with limited liability and a 85% owned subsidiary of Shanghai Zhuoheng
“Shanghai Zhuoheng”	上海卓衡實業有限公司 (Shanghai Zhuoheng Shiye Limited Company*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen Dingyu
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement

“Shareholder(s)”	holder(s) of Share(s)
“Shenzhen Company”	東滙原科技(深圳)有限公司 (Dong Hui Yuan Technology (Shenzhen) Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly-owned by Sinowood
“Shenzhen Dingyu”	鼎裕投資諮詢(深圳)有限公司 (Dingyu Investment Consulting (Shenzhen) Limited Company*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Citigain
“Sinowood”	Sinowood Holdings Limited 東滙集團有限公司, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company
“SPA”	the conditional sale and purchase agreement dated 17 February 2016 and entered into by the Company and the Purchaser in respect of, among other things, the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company A and Target Company B
“Target Company A”	Main Pacific Group Limited 萬豐集團有限公司, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company
“Target Company B”	Universe Prosper Limited 宇昌有限公司, a company incorporated in the British Virgins Island with limited liability and is wholly-owned by the Company
“%”	per cent.

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

Hong Kong, 17 February 2016

*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.*

*In this announcement, the conversion of RMB into HK\$ has been made at the rate of RMB\$0.836=HK\$1.00. Such conversion rate is included in this announcement for indicative purpose only and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.*

*In case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*

*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese names shall prevail.*

*\* for identification purposes only*