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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 RIGHTS ISSUE**  
**ON THE BASIS OF FOUR (4) RIGHTS SHARES**  
**FOR EVERY ONE (1) EXISTING SHARE**  
**HELD ON THE RECORD DATE**

**Underwriter to the Rights Issue**



**BLACK MARBLE**  
貝格隆集團

**PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$547.9 million and not more than approximately HK\$569.5 million before expenses by issuing not less than 3,886,065,724 Rights Shares and not more than 4,038,732,388 Rights Shares at the Subscription Price of HK\$0.141 per Rights Share on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date and payable in full upon application.

\* for identification purposes only

Based on 971,516,431 Shares in issue as at the date of this announcement and assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date, 3,886,065,724 Rights Shares will be issued. If the subscription rights attached to the Warrants were exercised in full on or before the Record Date, 4,038,732,388 Rights Shares will be issued.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date, the minimum number of 3,886,065,724 Rights Shares represents: (i) 400.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 80.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming that the subscription rights attached to the Warrants were exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement and up to the Record Date, the maximum number of 4,038,732,388 Rights Shares represents: (i) 400.00% of the issued share capital of the Company on the Record Date; and (ii) approximately 80.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Monday, 11 July 2016.

The register of members of the Company will be closed from Tuesday, 12 July 2016 to Thursday, 14 July 2016, both days inclusive, to determine the eligibility of the Rights Issue. The Record Date will be on Thursday, 14 July 2016. The last day of dealings in the Shares on cum-entitlement basis will be on Thursday, 7 July 2016. The Shares will be dealt in on ex-entitlement basis from Friday, 8 July 2016. To qualify for the Rights Issue, the Shareholders must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

The Board is pleased to announce that on 24 May 2016 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Rights Issue. The Rights Issue will be fully underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to the Listing Rules, the controlling Shareholders and their associates or, where there are

no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution relating to the Rights Issue.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to make recommendation to the Independent Shareholders in respect of the Rights Issue. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Rights Issue, the recommendation from the Independent Board Committee, the advice from the Independent Financial Adviser in respect of the Rights Issue and a notice convening the SGM will be despatched to the Shareholders on or before Friday, 17 June 2016.

## **WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors should note that the Rights Issue is subject to the satisfaction of certain conditions as described under the section headed “Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” of this announcement) on or before the Latest Time for Termination. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$547.9 million and not more than approximately HK\$569.5 million before expenses by way of Rights Issue and details are set out as follows:

### **Issue statistics**

Basis of the Rights Issue : four (4) Rights Shares for every one (1) existing Share held on the Record Date

Subscription Price : HK\$0.141 per Rights Share

Number of Shares in issue as : 971,516,431 Shares  
at the date of this  
announcement

Number of Rights Shares : not less than 3,886,065,724 Rights Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date) and not more than 4,038,732,388 Rights Shares (assuming that the subscription rights attached to the Warrants are exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement and up to the Record Date)

the aggregate nominal value of the Rights Shares will be not less than approximately HK\$38.9 million and not more than HK\$40.4 million

Number of enlarged Shares in : not less than 4,857,582,155 Shares and not more than  
issue upon completion of 5,048,415,485 Shares  
the Rights Issue

Amount raised before : not less than approximately HK\$547.9 million and not more  
expenses than approximately HK\$569.5 million

As at the date of this announcement, the Company has outstanding Warrants which in aggregate entitle holders thereof to subscribe for 38,166,666 Shares.

Save for the Warrants, there are no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convertible or exchangeable into Shares as at the date of this announcement.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date, the minimum number of 3,886,065,724 Rights Shares represents (i) 400.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 80.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming that the subscription rights attached to the Warrants were exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement and up to the Record Date, the maximum number of 4,038,732,388 Rights Shares represents: (i) 400.00% of the issued share capital of the Company on the Record Date; and (ii) approximately 80.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

## **Subscription Price**

The Subscription Price is HK\$0.141 per Rights Share, which will be payable in full upon acceptance of the provisional allotment of the Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 42.21% to the closing price of HK\$0.244 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement;
- (b) a discount of approximately 42.21% to the average closing price of approximately HK\$0.244 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the date of the Underwriting Agreement;
- (c) a discount of approximately 12.96% to the theoretical ex-entitlement price of approximately HK\$0.162 based on the closing price of HK\$0.244 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement; and
- (d) a discount of approximately 76.89% to the net tangible asset per Share attributable to the Shareholders of approximately HK\$0.61 (based on the unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 September 2015 of RMB492,080,000 (equivalent to approximately HK\$590,496,000 and 971,516,431 Shares in issue as at the date of this announcement).

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the shares and market conditions. The Directors consider that under the Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company and that the discount of the Subscription Price will lower the further investment cost of the Qualifying Shareholders and encourages them to participate in the Rights Issue. The Directors (excluding all the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser regarding the Rights Issue) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Basis of provisional allotment**

The basis of the provisional allotment shall be four (4) Rights Shares for every one (1) existing Share held on the Record Date. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted for.

## **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 11 July 2016.

### **Closure of register of members for the Rights Issue**

The register of members of the Company will be closed from Tuesday, 12 July 2016 to Thursday, 14 July 2016, both days inclusive, to determine the eligibility of the Rights Issue. No transfer of Shares will be registered during the book closure period.

### **Overseas Shareholders and Non-Qualifying Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but no PAL and EAF will be sent to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, of more than HK\$100 shall be distributed pro rata to the Non-Qualifying Shareholders provided that individual amounts of HK\$100 or less and the proceeds generated on such sale of the Rights Shares shall be retained by the Company for its own benefit.

The Rights Shares (i) provisionally allotted but not accepted, (ii) representing entitlements of the Non-Qualifying Shareholders to the Rights Shares not sold pursuant to the arrangement above, and (iii) representing aggregation of fractions of Rights Shares which are not sold by the Company for its benefit pursuant to the Underwriting Agreement will be offered to the Qualifying Shareholders for excess applications by means of EAFs.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

### **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfillment of the conditions set out in the section headed “Conditions of the Rights Issue” in this announcement, share certificates for all fully-paid Rights Shares are expected to be posted on or before Thursday, 4 August 2016 to those entitled thereto by ordinary post at their own risk. If the Rights Issue is terminated, refund cheques will be despatched on or before Thursday, 4 August 2016 by ordinary post at their own risk. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are also expected to be posted on or before Thursday, 4 August 2016 by ordinary post to the applicants at their own risk.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for the Rights Shares (i) provisionally allotted but not accepted, (ii) representing entitlements of the Non-Qualifying Shareholders to the Rights Shares not sold pursuant to the arrangement to sell the Rights Shares

which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in the market in their nil-paid form, and (iii) representing aggregation of fractions of Rights Shares which are not sold by the Company for its benefit pursuant to the Underwriting Agreement.

Application for excess Rights Shares can be made only by duly completing and signing the EAF(s) (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by 4:00 p.m. on Friday, 29 July 2016.

The Board will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application subject to availability of excess Rights Shares. No reference will be made to Rights Shares comprised in applications by the PAL or the number of existing Shares held by the Qualifying Shareholders.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually. Shareholders with Shares held by nominee(s) (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under their names prior to the Record Date for the purpose of the Rights Issue. Shareholders with Shares held by nominee(s) (or which are held in CCASS and who would like to have their names registered on the registers of members of the Company) must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 11 July 2016. Shareholders and beneficial owners of the Shares should consult their professional advisers if they are in doubt as to their status.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

### **Fractions of the Rights Shares**

No fractions of Rights Shares will be allotted and the Company will sell any Rights Shares created from the aggregation of fractions of Rights Shares in nil-paid form (if a net premium can be obtained therefor) and the net proceeds of sale (after deducting the expenses of sale, if any) will be retained for the benefit of the Company.

### **Application for listing**

The Company will apply to the Listing Committee for the listing of and permission to deal in, the Rights Shares. Dealings in the Rights Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.



Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

## **UNDERWRITING AGREEMENT**

Date	:	24 May 2016 (after trading hours of the Stock Exchange)
Underwriter	:	Black Marble Securities Limited
Number of Underwritten Shares	:	not less than 3,886,065,724 Rights Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date) and not more than 4,038,732,388 Rights Shares (assuming that the subscription rights attached to the Warrants are exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement and up to the Record Date)
Commission	:	2.5%

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their respective ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

In the course of considering the Rights Issue, the Company has approached three securities houses as prospective underwriters. The Board considers that the Underwriter has offered the Company the most competitive terms, including the underwriting commission and the capacity of having the Rights Issue fully underwritten. The Board further considers that the terms of the Underwriting Agreement are consistent with market practice.

The Company will pay the Underwriter an underwriting commission of 2.5% of the total Subscription Price of the maximum number of the Underwritten Shares. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate,

the size of the Rights Issue and the current and expected market condition. The Directors are of the view that the terms of the Underwriting Agreement, including the commission, are fair and reasonable so far as the Company and the Shareholders are concerned.

### **Termination of the Underwriting Agreement**

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Agreement, if, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue or the level of the Rights Shares being taken up would be materially and adversely affected by:
  - (1) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue;
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group;
- (c) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lockout;

- (d) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing;
- (e) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (f) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days, excluding any suspension in connection with the clearance of the announcement or the circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue.

### **Conditions of the Rights Issue**

The Rights Issue is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. In addition, the Rights Issue is conditional upon the following conditions being fulfilled:

- (a) the passing of all necessary resolution(s) by the Board and the Shareholders (where applicable, the Independent Shareholders) on or before the Posting Date to approve the Rights Issue and the transactions contemplated thereunder;
- (b) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by all Directors (or by their agents duly authorised in writing) in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules;
- (c) the filing of one copy of the Prospectus Documents with the Registrar of Companies in Bermuda prior to or as soon as reasonably practicable after publication of the Prospectus Documents in compliance with the Companies Act;
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped "For information only" to the Non-Qualifying Shareholders, on or before the Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings; and
- (f) if required, the Bermuda Monetary Authority granting consent to the issue of the Rights Shares.

Neither the Company nor the Underwriter may waive conditions (a) to (f) above. The resolution by the Board of condition (a) above will have been passed when this announcement is published. In the event that any of conditions (a) to (f) above has not been satisfied by the Latest Time for Termination (or such other time and/or date as the Company and the Underwriter may determine in writing), the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement) and no party thereto shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breach of the Underwriting Agreement.

If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after completion of the Rights Issue is set out below (for illustration purposes only):

- (a) Assuming (i) no exercise of the Warrants on or prior to the Record Date and (ii) there is no Non-Qualifying Shareholder

	As at the date of this announcement		Upon issue of the Rights Shares (assuming all Rights Shares are subscribed for by the Qualifying Shareholders)		Upon issue of the Rights Shares (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Mr. Xu Dong, the chairman and an executive Director	2,000,000	0.21	10,000,000	0.21	2,000,000	0.04
Miss. Yu Wai Fong, a non-executive Director	423,774	0.04	2,118,870	0.04	423,774	0.01
The Underwriter ( <i>Note</i> )	–	–	–	–	3,886,065,724	80.00
Other public Shareholders	<u>969,092,657</u>	<u>99.75</u>	<u>4,845,463,285</u>	<u>99.75</u>	<u>969,092,657</u>	<u>19.95</u>
Total	<u>971,516,431</u>	<u>100.00</u>	<u>4,857,582,155</u>	<u>100.00</u>	<u>4,857,582,155</u>	<u>100.00</u>

- (b) Assuming (i) full exercise of the Warrants on or prior to the Record Date and (ii) there is no Non-Qualifying shareholder

	As at the date of this announcement		Upon full exercise of the Warrants		Upon issue of the Rights Shares (assuming all Rights Shares are subscribed for by the Qualifying Shareholders)		Upon issue of the Rights Shares (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Xu Dong, the chairman and an executive Director	2,000,000	0.21	2,000,000	0.20	10,000,000	0.20	2,000,000	0.04
Miss. Yu Wai Fong, a non-executive Director	423,774	0.04	423,774	0.04	2,118,870	0.04	423,774	0.01
Warrants holders	-	-	38,166,666	3.78	190,833,330	3.78	38,166,666	0.76
The Underwriter (Note)	-	-	-	-	-	-	4,038,732,388	80.00
Other public Shareholders	969,092,657	99.75	969,092,657	95.98	4,845,463,285	95.98	969,092,657	19.19
<b>Total</b>	<b>971,516,431</b>	<b>100.00</b>	<b>1,009,683,097</b>	<b>100.00</b>	<b>5,048,415,485</b>	<b>100.00</b>	<b>5,048,415,485</b>	<b>100.00</b>

Note:

*In the event that the Underwriter is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, the Underwriter shall use its best endeavours to ensure that:*

- (i) each of the subscribers of the Rights Shares procured by it shall be an Independent Third Party and not acting in concert with, and not connected with, the Directors, chief executive or substantial Shareholders of the Company or their respective associates;*
- (ii) each of the subscribers of the Rights Shares procured by it, together with any party acting in concert with it, shall not hold such number of Shares which will result in a mandatory offer obligation under Rule 26 of the Takeovers Code be triggered upon the completion of the Rights Issue; and*
- (iii) unless the minimum public float requirements under Rule 8.08 of the Listing Rules is satisfied, the Underwriter shall procure independent placees to take up such number of Rights Shares so that each of the subscribers of the Untaken Shares procured by it, shall not, together with any party(ies) acting in concert with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.*

As at the date of this announcement, the Underwriter has entered into sub-underwriting agreements with two sub-underwriters, who have agreed to take up an aggregate of approximately 8% of the Underwritten Shares (assuming no exercise of the Warrants on or prior to the Record Date and none of the Rights Shares are subscribed by the Qualifying Shareholders) and approximately 8% of the Underwritten Shares (assuming full exercise of the Warrants on or prior to the Record Date and none of the Rights Shares are subscribed by the Qualifying Shareholders), respectively. Based on such arrangement, the Company could maintain its public float under the Listing Rules upon completion of the Rights Issue.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds	Intended use of net proceeds as announced	Actual use of net proceeds (approximately)
27 October 2015	Placing of 809,000,000 new Shares of HK\$0.03 each at the placing price of HK\$0.19 per placing share pursuant to the placing agreement between the Company and Gransing Securities Co., Limited as placing agent dated 27 October 2015	Approximately HK\$152.00 million	(i) money lending business of the Group; (ii) repayment of debts and related interest; and (iii) working capital of the Group and future investment(s) and acquisition(s) as may be identified by the Company as and when appropriate.	(i) HK\$100 million for money lending; (ii) HK\$23 million for repayment of debts and related interest; (iii) HK\$15.6 million for acquisition and related professional fees; (iv) HK\$6 million for working capital of the Group; and (v) the remaining balance was held as bank deposit.

Save as disclosed above, the Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the principal activities of the Group are investment holding, property investment, provision of educational support services and money lending.

The gross proceeds from the Rights Issue will be not less than approximately HK\$547.9 million and not more than approximately HK\$569.5 million. The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be not less than HK\$532.4 million but not more than HK\$553.4 million. The net price per Rights Share is approximately HK\$0.137 per Rights Share.

The Group intends to apply the net proceeds from the Rights Issue of approximately HK\$532.4 million, which to (i) approximately HK\$100 million for development of an elderly home project (the "**Project**"); (ii) approximately HK\$180 million for investing in securities brokerage business; (iii) approximately HK\$180 million for development of money lending business; and (iv) the remaining for general working capital or future investment opportunities of the Group.

In the event that the Project does not materialize, such amounts of the net proceeds will be applied for money lending business and future investment opportunities.

Reference is made to the announcement of the Company dated 4 February 2016. On 4 February 2016, the Company entered into a non-legally binding memorandum of understanding with an independent third party (the “**Vendor**”), pursuant to which the Company will purchase and the Vendor will sell 60% of the equity interest in a target company, which owns 100% interest in a piece of land (the “**Land**”), intended for the development of the Project. The Land is located in Fengxian District, Shanghai City, with a planning area of approximately 100 mu, an ancillary area of approximately 200 mu, an overall area of approximately 200,000 square meters and a construction area of over 130,000 square meters. After the construction is completed, the Project will become one of the largest nursing institution for senior citizens in the PRC, providing over 4,000 nursing beds. As at the date of this announcement, the Company is conducting the due diligence review and in negotiations with the Vendor for the terms and conditions of the Project and expect to enter into a formal agreement on or before August 2016.

Reference is made to the announcement of the Company dated 20 November 2015. As disclosed in the said announcement, Bigfair International Limited, a wholly-owned subsidiary of the Company entered into the sale and purchase agreement with Mr. Fu Hau Tat, Eric Jorge, Mr. Fu Hau Chun, Brian Alberto and Mr. Lee Ka Fai, Gordon, being the registered and beneficial owners of the entire issued share capital of J.A.F Brokerage Limited in relation to acquisition of the entire issued share capital of J.A.F Brokerage Limited. The acquisition of J.A.F. Brokerage Limited was completed on 11 April 2016. The Company intends to invest approximately HK\$200 million to develop the financial services business, including the provision of securities trading, margin financing, underwriting and assets management which will help diversifying the businesses of the Group for maximizing returns to the Shareholders.

In addition, the Group has been proactively expanding the money lending business in Hong Kong. As at the date of this announcement, the Group had an existing loan portfolio amounted to HK\$138 million with the terms ranging from 3 months to 12 months (the “**Existing Loan Portfolio**”) with the average interest rate of 18%. It is expected that the Existing Loan Portfolio will generate a total interest income of approximately HK\$16 million. In addition, on the assumption that (i) the Existing Loan Portfolio is successfully rolled over at the existing terms; and (ii) the proceeds from the Rights Issue of HK\$180 million is successfully lent out at the existing interest rate level in 2016, it is predicated that the aggregate interest income to be earned for the financial year ended 31 March 2017 will be approximately HK\$29 million. Given such estimation, it is expected that the financial performance of the Group will be improved.

The Director believe that the Rights Issue will enable the Company to strengthen its equity base and liquidity without incurring interest costs, thereby bolstering its ability to capitalise on greater business opportunities. The Directors also consider that the Rights Issue offers all the Shareholders equal opportunity to subscribe for their pro-rata provisional allotment of the Rights Shares and participate in the growth opportunity of the Company.

As such, the Directors (excluding the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser regarding the Rights Issue) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

## **EXPECTED TIMETABLE**

The expected timetable for the Rights Issue and the associated trading arrangement are as follows:

Expected date of despatch of circular and the notice of SGM . . . . .	Friday, 17 June 2016
Latest time for lodging proxy forms . . . . .	10:00 a.m. on Monday, 4 July 2016
Expected date and time of the SGM . . . . .	10:00 a.m. on Wednesday, 6 July 2016
Announcement of results of the SGM . . . . .	Wednesday, 6 July 2016
Last day of dealings in the Shares on a cum-entitlement basis . . . . .	Thursday, 7 July 2016
First day of dealings in the Shares on an ex-entitlement basis . . . . .	Friday, 8 July 2016
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue . . . . .	4:30 p.m. on Monday, 11 July 2016
Register of members of the Company closed (both days inclusive) . . . . .	Tuesday, 12 July 2016 to Thursday, 14 July 2016
Record Date for the Rights Issue . . . . .	Thursday, 14 July 2016
Register of members of the Company re-opens . . . . .	Friday, 15 July 2016
Despatch of the Prospectus Documents . . . . .	Friday, 15 July 2016
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 19 July 2016
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m. on Thursday, 21 July 2016



Last day of dealings in nil-paid Rights Shares . . . . . 4:00 p.m. on Tuesday, 26 July 2016

Latest time for acceptance of and payment for  
the Rights Shares and application and  
payment for excess Rights Shares . . . . . 4:00 p.m. on Friday, 29 July 2016

Latest Time for Termination and Underwriting  
Agreement becoming unconditional . . . . . 4:00 p.m. on Monday, 1 August 2016

Announcement of results of acceptance of  
the Rights Shares . . . . . Wednesday, 3 August 2016

Despatch of certificates for fully-paid Rights Shares  
and refund cheques (if any) on or before . . . . . Thursday, 4 August 2016

Dealings in fully-paid Rights Shares commence . . . . . 9:00 a.m. on Friday, 5 August 2016

*All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Rights Issue will be announced as appropriate.*

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to the Listing Rules, the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution relating to the Rights Issue.

Since there is no controlling Shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with the Listing Rules. Accordingly, (i) Mr. Xu Dong, an executive Director, who holds 2,000,000 Shares, representing approximately 0.21% of the issued share capital of the Company; and (ii) Miss. Yu Wai Fong, a non-executive Director, who holds 423,774 Shares, representing approximately 0.04% of the issued share capital of the Company, are required to abstain from voting in favour of the Rights Issue at the SGM.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to make recommendation to the Independent Shareholders in respect of the Rights Issue. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Rights Issue, the recommendation from the Independent Board Committee, the advice from the Independent Financial Adviser and a notice convening the SGM will be despatched to the Shareholders on or before Friday, 17 June 2016.

## **WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors should note that the Rights Issue is subject to the satisfaction of certain conditions as described under the section headed “Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” of this announcement) on or before the Latest Time for Termination. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in such form as may be agreed between the Company and the Underwriter
“Final Acceptance Date”	Friday, 29 July 2016 or such other date as may be agreed between the Company and the Underwriter and described as the latest date for acceptance of the Rights Shares in the Prospectus
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee, comprising independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders not required under the Listing Rules to abstain from voting on the resolution(s) at the SGM
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Latest Time for Termination”	4:00 p.m. on the first (1st) Business Day following the Final Acceptance Date

“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those persons whose registered addresses (as shown in the register of members of the Company on the Record Date) are outside Hong Kong, in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus”	the document containing details of the Rights Issue to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Posting Date”	Friday, 15 July 2016 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 14 July 2016, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Rights Issue
“Registrar”	Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrars of the Company

“Rights Issue”	the proposed issue by way of rights issue to the Qualifying Shareholders on the basis of four (4) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	not less than 3,886,065,724 new Shares and not more than 4,038,732,388 new Shares to be allotted and issued pursuant to the Rights Issue
“SGM”	the special general meeting of the Company to convened and held to consider and to approve the Rights Issue and the transactions contemplated hereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.141 per Rights Share
“Takeovers Code”	the Hong Kong Code on the Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 24 May 2016 entered into among the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares
“Warrants”	bonus warrants with an outstanding aggregate principal amount of HK\$57,250,000.20 exercisable into 38,166,666 Shares
“%”	per cent

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

Hong Kong, 24 May 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.*