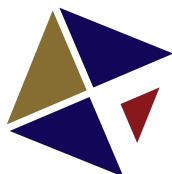


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED
中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE
ON ASSET MANAGEMENT BUSINESS
AND
CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE

This announcement is made by China Properties Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis and for the purpose to keep the shareholders of the Company and potential investors informed of the latest business development of the Group.

BUSINESS UPDATE ON ASSET MANAGEMENT BUSINESS

Reference is made to the announcements of the Company dated 24 May 2016 and 14 September 2016 in relation to the acquisition of a company engaged in business of asset management. On 24 May 2016, Bigfair International Limited, a wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with a third party, as vendor, in relation to the acquisition of a target company (the “**Asset Management Company**”) incorporated in Hong Kong which is licensed under the Securities and Futures Ordinance to carry on Type 9 (asset management) regulated activity. The said acquisition was completed on 14 September 2016.

As at the date of this announcement, the Company has acquired GR Global Limited (“**GR Global**”), which is a company incorporated in the British Virgin Islands with limited liability. GR Global holds two wholly owned subsidiaries, namely HKFM Global Fund SPC (“**HKFM SPC**”) and HKFM Investment Management Limited (“**HKFM Investment**”). HKFM SPC is an exempted company incorporated in the Cayman Islands and has created a segregated portfolio which focuses on companies which are related to the Greater China region and the United States of America, in

* *For identification purposes only*

particular companies listed in Hong Kong or the United States of America (the “**Segregated Portfolio**”). HKFM Investment is a company incorporated in the Cayman Islands with limited liability and had been appointed as an investment manager to the Segregated Portfolio.

As at the date of this announcement, the Asset Management Company, GR Global, HKFM SPC and HKFM Investment are wholly owned subsidiaries of the Company.

The Segregated Portfolio offers five classes of non-voting participating shares offered for subscription with different subscription fee, management fee and performance fee and lock-up period.

As at the date of this announcement, the Company has decided to subscribe for the non-voting participating shares of the Segregated Portfolio for a total amount of HK\$190 million (the “**Subscription**”). The participating shares the Company subscribed are subject to a lock-up period of 24 months from the time of issue of such participating shares. The said amount will be funded by internal resources of the Group, i.e. net proceeds raising from a previous rights issue. Details of which are disclosed in the section headed “Change of Use of Proceed from the Rights Issue” in this announcement below.

The said amount will serve as a seed money to build up the Segregated Portfolio and it is the ultimate goal of the Company to attract other investors to participate in and subscribe for the non-voting participating shares of the Segregated Portfolio.

The Asset Management Company had also been appointed as an investment advisor to HKFM Investment in relation to the management of assets of the Segregated Portfolio.

The Directors consider that the investment in the Segregated Portfolio represents a milestone on the development of the Group’s asset management business which will become one of the principal businesses of the Group. The subsequent acquisition and disposal of any investment in the Segregated Portfolio and subscription and redemption of the non-voting participating shares of the Segregated Portfolio are expected to be regarded as transaction of a revenue nature in the ordinary and usual course of business of the Company.

CHANGE OF USE OF PROCEED FROM THE RIGHTS ISSUE

Reference is made prospectus of the Company dated 15 July 2016 (the “**Prospectus**”) in relation to a rights issue (the “**Rights Issue**”).

As disclosed in the Prospectus, the Group intended to apply the net proceeds from the Rights Issue of approximately HK\$532.4 million (the “**Net Proceeds**”), in the following manner: (i) approximately HK\$100 million to the development of an elderly home project (the “**Project**”); (ii) approximately HK\$180 million to the investment in securities brokerage business; (iii) approximately HK\$180 million to the development of money lending business; and (iv) the remaining as general working capital or future investment opportunities of the Group.

Having considered that the Project will not be materialised in the short term and the rapid expansion of the Group's money lending business, the Board has resolved to change the use of the Net Proceeds to:

- (i) approximately HK\$190 million for the Subscription;
- (ii) approximately HK\$50 million to the development of the Project;
- (iii) approximately HK\$90 million to the investment in securities brokerage business;
- (iv) approximately HK\$200 million to the development of money lending business; and
- (v) the remaining as general working capital or future investment opportunities of the Group.

The Directors consider that the above change in use of the Net Proceeds will allow the Company to deploy its financial resources more efficiently and therefore, it is fair and reasonable and in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 28 September 2016

As at the date of this announcement, the executive directors of the Company are Mr. Xu Dong and Mr. Au Tat On, the non-executive director of the Company is Miss Yu Wai Fong and the independent non-executive directors of the Company are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah.

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