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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)

PRICE SENSITIVE INFORMATION

Reference is made to (1) the announcement of China Properties Investment Holdings Limited (the “**Company**”) dated 27 July 2011 in relation to the entry into a participation deed (the “**Deed**”) and a sub-participation agreement (the “**Agreement**”) by the Company both on 27 July 2011 in relation to a loan (the “**Loan**”) extended by Simsen Capital Finance Limited (“**Simsen**”) to Make Success Limited (“**Make Success**”); and (2) the announcement of the Company dated 17 January 2012 in relation to the Company’s becoming aware of the writ of summons issued by Mayer Holdings Limited (“**Mayer**”) seeking an injunctive order (the “**Litigation**”) against a promissory note (the “**Promissory Note**”) and a convertible note (the “**Convertible Note**”) which were both given as security for the Loan. After due enquiries made by the directors of the Company (the “**Directors**”), no injunctive order has been granted against the Promissory Note and the Convertible Note as of today’s date.

Under the Deed and the Agreement, Simsen is required to seek the consent of the Company before taking enforcement action under the Promissory Note and the Convertible Note. Simsen has notified the Company that Simsen is sourcing for and may be able to secure a willing purchaser for and is proposing to dispose of the Promissory Note (the “**Disposal**”) although the definite terms of the Disposal have not yet been finalized.

The Company has instructed counsel and received counsel’s opinion on 1 February 2012 on whether there is any legal impediment to the Disposal, and whether the Disposal is in the best interest of the Company in the circumstances. Counsel has opined that the giving of the Promissory Note as security for the Loan is valid and there is no legal difficulty in enforcing the security. Furthermore there is nothing in the Loan agreement or the giving of the security that will restrict the Disposal. The sum payable under the Promissory Note will not be due until May 2013 and the lapse of time is an additional uncertainty for the Company to consider. The Litigation between Mayer and Make Success may take a long time to resolve and counsel is of the opinion that there may not be any basis for Simsen to be joined as a party to the Litigation. As a matter of civil procedure administered by the court of Hong

* *for identification purpose only*

Kong, it will even be more difficult for the Company to be joined as a party to the proceedings. Even if the Company is able to be joined as a party to restrain the Disposal, it may not be wise to get involved into the Litigation solely for the purpose of opposing an injunctive relief. The time and costs required will certainly be significant. Practical commercial judgment is called for in such circumstances. This is especially pertinent in light of the fact that Simsen has notified the Company that it is sourcing for and may be able to secure a willing purchaser even in the present economic climate.

All the Directors of the Company hosted a meeting on 2 February 2012 to consider whether it is in the best interest of the Company in the circumstances to consent to Simsen undertaking the Disposal. Although the exact terms of the Disposal have yet to be finalized, the Directors considered that in light of the recent global financial circumstances and the difficulty of finding a willing purchaser of the Promissory Note, it would be in the best interest of the Company to consent to the Disposal by Simsen subject to the following terms being incorporated as conditions to the Disposal:

1. The Litigation by and the claim for an injunctive order by Mayer be fully disclosed to the purchaser of the Promissory Note;
2. A disclosure letter with full details and possible consequence(s) of the Litigation be given by Simsen to the purchaser of the Promissory Note on or before the agreement for the Disposal is entered into; and
3. Any requirement(s) or act(s) that is/are required by the Stock Exchange of Hong Kong Limited or any other regulatory authorities to which the Company is subject to be complied with.

After due consideration by the Directors at the abovementioned meeting and taking into account the conditions to which consent to the Disposal will be granted, the Directors proposed to grant consent to Simsen for the Disposal. At the same time, the Company will continue to monitor the development and will make further announcement of any material information as and when appropriate.

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

Hong Kong, 2 February 2012

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.

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