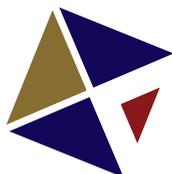


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF J.A.F BROKERAGE LIMITED

THE AGREEMENT

The Board is pleased to announce that, on 20 November 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Initial Consideration consisting of the Premium of HK\$7,800,000 and the Initial NAV of HK\$5,277,000 of the Target Company subjected to the terms and conditions of the Agreement, which will be satisfied by cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 16 October 2015 in relation to the non-legal binding memorandum of understanding (the “MOU”) entered by the Purchaser and the Vendors, in relation to the possible acquisition of a company which is licensed under the SFO to carry on the regulated activities of dealing in securities and is an exchange participant of the Stock Exchange of Hong Kong Limited by the Purchaser.

* *For identification purpose only*

The Board is pleased to announce that, on 20 November 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Initial Consideration consisting of a premium of HK\$7,800,000 and the net asset value of HK\$5,277,000 of the Target Company subjected to the terms and conditions of the Agreement, which will be satisfied by cash.

THE AGREEMENT

The principal terms of the Agreement are summarized as follows:–

Date

20 November 2015

Parties

- (i) Purchaser: Bigfair International Limited;
- (ii) Vendors: Mr. Fu Hau Tat, Eric Jorge;
Mr. Fu Hau Chun, Brian Alberto; and
Mr. Lee Ka Fai, Gordon.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors are Independent Third Parties.

Assets to be acquired

Pursuant to the Agreement, the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The Initial Consideration is HK\$13,077,000, which is subject to adjustment will be settled in cash in the following manners:–

- (i) HK\$780,000, being the First Deposit which is refundable only in accordance with the terms of the Agreement and kept in Escrow Account by the Escrow Agent;
- (ii) HK\$780,000, being the Second Deposit which is refundable only in accordance with the terms of the Agreement, shall be paid to the Escrow Agent and kept in Escrow Account upon the signing of the Agreement;

- (iii) HK\$6,240,000, being the balance of the Premium, shall be payable in cash or by cashier's order(s) issued by a licensed bank in Hong Kong or cheque(s) drawn by a firm of solicitors in Hong Kong upon Completion; and
- (iv) HK\$5,277,000, being the Initial NAV shall be payable in cash or by cashier's order(s) issued by a licensed bank in Hong Kong or cheque upon completion of the (s) drawn by a firm of solicitors in Hong Kong upon Completion.

The Initial Consideration will be settled by internal resources of the Group.

The First Deposit has been paid by the Purchaser to the Vendors on 19 October 2015 to the Escrow Agent and kept in the Escrow Account after the entering of the MOU.

Each of the Vendors shall be entitled to his share of corresponding consideration in accordance with the proportion of their shareholdings in the Target Company.

If the Final Consideration Amount falls below the Initial Consideration, the Vendors shall pay the Purchaser a sum equal to the amount of such shortfall within seven days after the determination of the Final Consideration Amount.

If the Final Consideration Amount exceeds the amount of Initial Consideration, the Purchaser shall pay the Vendors a sum equal to the amount of such excess within seven days after the determination of the Final Consideration Amount provided that the Final Consideration Amount shall not exceed HK\$14,077,000.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to the (i) unaudited net asset of the Target Company as at 30 September 2015; and (ii) a premium with reference to other comparable offers in the market.

Completion Accounts

As soon as practicable after Completion, the Vendors shall prepare the draft Completion Accounts within 30 days after Completion to determinate the Final Consideration Amount which is equal to the sum of the NAV and the Premium provided that the Final Consideration Amount shall not exceed HK\$14,077,000.

The draft Completion Accounts shall be prepared on a going concern basis and in accordance with the generally accepted accounting principles and standards in Hong Kong. The preparation of the draft Completion Accounts shall also be consistent with the relevant financial return submitted to the SFC (if the date selected for determining the Final Consideration Amount coincides with a month end date) or otherwise the financial return of the preceding month submitted to the SFC.

Within 5 Business Days starting on the date immediately after the Purchaser receive the draft Completion Accounts (the expiry of this period being the “**Response Date**”), the Purchaser may serve notice on the Vendors stating whether or not it agrees with the draft Completion Accounts and in the case of a disagreement stating the reasons for the disagreement in reasonable detail (the “**Disagreement Notice**”). If the Purchaser gives a Disagreement Notice on or before the Response Date, the Parties shall attempt in good faith to reach agreement in respect thereof and, if the Parties are unable to reach an agreement on the draft Completion Accounts within 10 Business Days starting on the day immediately after the notification of the Disagreement Notice by the Purchaser to the Vendors, either party may by notice to the other refer the matters in dispute to an Independent Accountant (the “**Appointment Notice**”).

If no Disagreement Notice is served on or before the Response Date, the draft Completion Accounts for the purpose of determination of the Final Consideration Amount shall be final and binding on the Parties.

Conditions precedent

Completion is conditional in all respects upon:–

- (A) (if required under the SFO) the approval of the SFC of the Purchaser (and its beneficial owners) to become substantial shareholder(s) of the Target Company arising from the sale of Sale Shares under the SFO; and
- (B) the warranties representation and undertakings given under the Agreement remaining true and correct.

The Purchaser may waive all or any of the conditions specified above except for Condition (A) on the Long Stop Date or (if extended) the Extended Long Stop Date.

Each of the Purchaser and the Vendors shall use their all reasonable endeavours to ensure that the Conditions specified above are fulfilled as soon as practicable and in any event not later than the Long Stop Date or (if extended) the Extended Long Stop Date. In particular, the Vendors hereby agreed to use their reasonable endeavors to assist the Purchaser in making its application for obtaining the approval required under Condition (A) (including performing such acts and things, and executing and delivering such documents as may be reasonably required by the Purchaser).

Termination

If all the Conditions specified above have not been satisfied or waived on or before the Long Stop Date or (if extended) the Extended Long Stop Date, then:–

- (A) if the Substantial Shareholder Application has not been approved by the SFC by the Long Stop Date and SFC has indicated that the reason for not giving the approval lies on the fault of the Purchaser and the Purchaser does not exercise its right of extension of the Long Stop Date, the

Vendors are entitled to forfeit the sum of HK\$780,000 out of the Deposits and the remaining balance of the Deposits after the said forfeiture (which should be HK\$780,000) shall be refunded to the Purchaser and the Parties shall give instructions to the Escrow Agent to effect the aforesaid transfers of funds as soon as possible;

- (B) if the Purchaser has exercised its right of extension of the Long Stop Date but the Substantial Shareholder Application still cannot be approved by the SFC by the Extended Long Stop Date and SFC has indicated that the reason for not giving the approval lies on the fault of the Purchaser, the Vendors are entitled to forfeit the sum of HK\$1,170,000 out of the Deposits and the remaining balance of the Deposits after the said forfeiture (which should be HK\$390,000) shall be refunded to the Purchaser and the Parties shall give instructions to the Escrow Agent to effect the aforesaid transfers of funds as soon as possible; and
- (C) in any other case, all the Deposits shall be refunded to the Purchaser and the Parties shall give instructions to the Escrow Agent to effect the aforesaid refund of fund as soon as possible,

the Agreement other than those clauses which should survive the termination of the Agreement, shall lapse and have no further effect and the Parties shall be released from all obligations under it other than obligations under the aforesaid surviving clauses.

If the Substantial Shareholder Application cannot be approved by the SFC by the Long Stop Date, the Purchaser is entitled to extend the Long Stop Date to the Extended Long Stop Date so as to provide more time for the Purchaser to obtain SFC's approval of the Substantial Shareholder Application and the Vendors shall accept the request of the Purchaser for such extension.

Upon the occurrence of any of the following events:–

- (A) if the Target Company cannot maintain two responsible officers before Completion and such shortage in number of responsible officers leads to suspension or revocation of the Licence (SFC) or imposition of conditions on the business or operations of the Target Company;
- (B) if there is material adverse change to the financial position, business or trading of the Target Company before Completion;
- (C) any of the Vendors is in breach of his obligations, covenants and warranties contained herein in material respect before Completion; and
- (D) the SFC does not approve the Substantial Shareholder Application and the SFC has indicated that the reason for not giving the approval lies on the fault of any the Vendors or the SFC does not provide any reason for not giving the approval,

the Purchaser is entitled to terminate the Agreement by giving notice to the Vendors and obtain the refund of the Deposits from the Escrow Agent and the Parties shall give instructions to the Escrow Agent to effect the aforesaid refund of funds within 5 Business Days after the occurrence of the

aforesaid events, then the Agreement other than those clauses which should survive the termination of the Agreement, shall lapse and have no further effect and the Parties shall be released from all obligations under it other than obligations under the aforesaid surviving clauses.

If at any time before Completion the Purchaser becomes aware of any fact or event circumstance which in its opinion:

- (A) is or is reasonably likely to be or become at or before Completion, a material breach of the warranties or any other material obligation of the Vendors pursuant to the Agreement; or
- (B) would reasonably be likely to cause a material adverse change in the business of the Target Company upon Completion,

then the Purchaser may, by written notice given by it or on its behalf to the Vendors or to the Vendor's solicitors, elect to rescind the Agreement and obtain the refund of the Deposits without prejudice to its remedies against the Vendors.

Completion

Completion shall take place on the Completion Date or at such other time and place as may be agreed between the Parties.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial statement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of properties investment, money lending, investing in mining activities and provision of educational support services.

The Target Company is a licensed corporation to carry out Type 1 (Dealing in Securities) regulated activity under the SFO and is principally engaged in the business of securities brokerage.

In order to diversify the business of the Group for maximizing returns to the shareholders of the Company, the Group has been actively seeking various investment opportunities. By investing in the Target Company, it is expected that the Group can enter into securities brokerage business, being a new business segment to the Group, and the Group is expected to be benefited from diversifying its revenue stream which is expected to increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

In view of the above, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

“Agreement”	the conditional sale and purchase agreement dated 20 November 2015 and entered into by the Purchaser and the Vendors in respect of the Acquisition
“Audited Accounts”	the audited financial statements of the Target Company for the year ended on the 31 December 2014
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Clearing House”	Hong Kong Securities Clearing Company Limited and/or other body appointed by or established and operated by Stock Exchange to provide clearing services to its exchange participants
“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”	completion of the sale and purchase of the Sale Shares in accordance with the provisions of the Agreement
“Completion Accounts”	the management accounts (including balance sheet and profit and loss account together with all notes, reports, statements and other documents annexed to those accounts) made up to the Completion Date or any other date as agreed between the Purchaser and the Vendors
“Completion Date”	the seventh Business Day after the fulfillment or waiver of the Conditions or such other date as the Purchaser and the Vendors may agree in writing
“Conditions(s)”	the condition(s) set out under the paragraph headed “Conditions precedent” above of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the sum of the Premium and the net asset value of the Target Company as agreed by the Parties subjected to the terms and conditions of the Agreement (subject to adjustment)
“Constitution”	the memorandum and articles of association, charter, bye laws, memorandum or other document constituting or defining the constitution of that corporation or governing the activities or conduct of that corporation and its members
“Deposits”	collectively the First Deposit and the Second Deposit
“Director(s)”	director(s) of the Company
“Escrow Account”	a bank account for holding First Deposit and Second Deposit which is operated by the Escrow Agent
“Escrow Agent”	the escrow agent appointed by the Parties for the purpose of operating the Escrow Account
“Extended Long Stop Date”	20 August 2016, being a date falling on expiry of nine months after the date of the Agreement
“Final Consideration Amount”	the sum of the Premium and the NAV
“First Deposit”	HK\$780,000, which is refundable deposit and kept in Escrow Account by the Escrow Agent
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Accountant”	an independent accountant engaged jointly by the Parties and its fees shall be borne equally between the Vendors on the one hand and the Purchaser on the other and such independent accountant shall be either (i) an independent firm of accountants agreed between the Parties; or (ii) in the absence of agreement as to the identity of such independent firm within 5 Business Days of either party notifying the other of its wish to appoint an independent firm, a specific member of an independent firm of accountants to be nominated on the application of either party by the President for the time being of the Hong Kong Institute of Certified Public Accountants

“Independent Third Party(ies)”	third party(ies) and its/their ultimate beneficial owner(s) which is/are independent of the Company and its connected persons
“Initial Consideration”	the sum of the Premium and the Initial NAV
“Initial NAV”	HK\$5,277,000, being the initial net asset value of the Target Company prepared and calculated in good faith by the Vendors with reference to the unaudited financial return of the Target Company as at 30 September 2015
“Licence (SFC)”	the licence that the Target Company registered with the SFC to carry on the regulated activities under SFO
“Licence (Stock Exchange)”	the licence relating to the Target Company being exchange participant of the Stock Exchange and holder of trading right of Stock Exchange
“Licences”	Licence (Stock Exchange) and Licence (SFC)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	20 May 2016, being a date falling on expiry of six months after the date of the Agreement
“NAV”	all the asset value of the Target Company reflected in the draft Completion Accounts minus all the liabilities reflected in the draft Completion Accounts as at the date of the draft Completion Accounts
“Parties”	collectively the Purchaser and the Vendors
“Premium”	HK\$7,800,000 agreed by the Parties subjected to the terms and conditions of the Agreement
“Purchaser”	Bigfair International Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company
“Regulator(s)”	means the Clearing House, the Stock Exchange and/or the SFC
“Sale Shares”	12,419,999 issued and fully-paid ordinary share of HK\$1 each in the capital of the Target Company, representing the entire issued share capital of the Target Company

“Second Deposit”	HK\$780,000, which is refundable deposit and kept in Escrow Account by the Escrow Agent
“SFC”	The Securities and Futures Commission or any other body which assumes in whole or in part the powers and functions of the Securities and Futures Commission under the SFO
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the Company as at the date of this announcement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder Application”	the approval of the SFC of the Purchaser (and its beneficial owners) to become substantial shareholder(s) of the Target Company arising from the sale of Sale Shares under the SFO
“substantial shareholder(s)”	has the meaning ascribed to it under the SFO
“Target Company”	J.A.F Brokerage Limited, a company incorporated in Hong Kong with limited liability
“Vendors”	collectively 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 Sale Shares
“%”	per cent

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

Hong Kong, 20 November 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.

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