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)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019 AND DISCLOSEABLE TRANSACTION RELATING TO DISPOSAL OF LISTED SECURITIES AND DISCLOSEABLE TRANSACTION RELATING TO DISPOSAL OF LISTED SECURITIES

Reference is made to the annual results announcement for the year ended 31 March 2019 dated 27 June 2019 (the "**Results Announcement**") and the announcement relating to disposal of listed securities dated 10 July 2019 (the "**Announcement**") of the Company.

In addition to the information provided in the Results Announcement, the Company would like to further inform the shareholders and potential investors of the Company the following.

FINANCIAL ASSETS AT FVTPL DISPOSED DURING THE YEAR ENDED 31 MARCH 2019

(A) Redemption of Financial Products

Reference is made to the announcement relating to investments in available-for-sale investments dated 23 July 2018 (the "**Supplemental Announcement**") of the Company.

As disclosed in the Supplemental Announcement, during the year ended 31 March 2018, Shanghai Xiang Chen Hang Place The Industry Co. Limited*, a wholly-owned subsidiary of the Company, has subscribed two short-term financial products with principal amount of

* *For identification purpose only*

RMB3,000,000 (approximately HK$3,567,000) and RMB8,000,000 (approximately HK$9,868,000), which were redeemed on 23 June 2018 and 10 May 2018 respectively with interest incomes of RMB78,777.79 and RMB94,246.58 generated.

(B) Discloseable Transaction Relating to Disposal of Listed Securities

The Disposal

During the year ended 31 March 2019, the Group disposed on-market of a total of 90,480,000 China Kingstone Shares in a series of transactions conducted on 8 January 2019, 9 January 2019 and 11 January 2019, at the average price between HK$0.108 to HK$0.110 per China Kingstone Share for an aggregate gross sale proceeds of approximately HK$9.89 million (excluding transaction costs).

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the China Kingstone Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the China Kingstone Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets disposed of

The Group disposed of a total of 90,480,000 China Kingstone Shares, representing approximately 3.19% of the issued share capital of China Kingstone (based on the 2,832,082,770 China Kingstone Shares as at 31 December 2018 according to the monthly return of China Kingstone dated 2 January 2019). Before the Disposal, the Group held a total of 90,480,000 China Kingstone Shares. After the Disposal, the Group does not hold any China Kingstone Shares.

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK$9.89 million (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the China Kingstone Shares at the time of the Disposal.

Information of China Kingstone

China Kingstone is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Stock Exchange (stock code: 1380). China Kingstone is principally engaged in the production and sales of marble and marble related products in China.

The following information is extracted from the 2018 annual report of China Kingstone:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	RMB'000	*RMB'000*
Revenue	67,719	31,383
(Loss)/Profit before taxation	(19,270)	7,797
(Loss)/Profit after taxation	(19,270)	7,797
Net asset value	401,228	409,865

Reasons for and Benefits of the Disposal

The Group is principally engaged in the businesses of properties investment, money lending and financial services.

The purpose of the Disposal is to realize the investment gain and obtain additional cash flow. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK$2.83 million which is calculated on the basis of the difference between the fair value as at 31 March 2018 and the disposal price (exclusive of transaction costs). The Company intends to use the proceeds of the Disposal (i) as general working capital of the Company and/or (ii) for future investment opportunities for the Company.

The Disposal was made at market price and the Board is of the view that the Disposal will enhance the liquidity of the Company and was fair and reasonable and is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Implication under the Listing Rules

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but 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 of the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES

The market value of the subject shares in the Disposal and the June Disposal is approximately HK$7.06 million and HK$3.9 million as at the year ended 31 March 2018 respectively, which represented approximately 0.8% and 0.48% of the total assets of the Group only. Due to an inadvertent oversight, the Directors and the staff of the Group involving investment in listed securities have overlooked that the Disposal and the June Disposal were notifiable transactions since such investments were relatively minimal compared with the total assets of the Group and thus complete size tests analyses have not been performed in accordance with the internal control guideline of the

Group. The Directors were aware of the non-compliance with the Listing Rules not until a recent review of the transactions of the Group (including the trading securities transactions). As a result, the Company has not timely published announcements in respect of the Disposal and the June Disposal. The Board regrettably admits that it has overlooked the reporting and announcement requirements under Rule 14.34 of the Listing Rules but reiterates that such instances of non-compliance were purely unintentional and oversight.

To prevent re-occurrence of similar incident in the future, the Company will implement the following remedial measures:–

1. the executive directors, with the assistance of company secretarial and finance department of the Company (the "**Internal Control Team**"), shall continue to oversee and monitor the Company's on-going compliance with the Listing Rules;

2. the Company should conduct internal training sessions to the senior management of the Company regularly to explain the relevant requirements and the reporting procedures for notifiable transactions under the Listing Rules, and to emphasize the importance of identifying such transactions prior to execution;

3. the Company will issue the relevant guideline (the "**Guideline**") and training materials, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable transactions under the Listing Rules, to the directors, senior management and finance staff of the Group, particularly those involving investment in listed securities, who must comply with the Guideline. Prior to entering into any relevant potential transaction in the future, the staff shall perform complete size tests analysis accordingly; and when disclosure threshold is met, the staff will seek approval from the Board and notify the Internal Control Team the details of the proposed transaction to ensure compliance with the Listing Rules;

4. the Internal Control Team shall perform quarterly checks on whether the staff have complied with the Guideline; and

5. the Company will improve its internal control system by consulting the external professional parties, including legal advisor and auditor, and improve the communication, coordination and reporting arrangements for notifiable transactions within the Group.

DEFINITIONS

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

"Board"	the board of Directors

"China Kingstone"	China Kingstone Mining Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Stock Exchange (Stock code: 1380)
"China Kingstone Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of China Kingstone
"Company"	China Properties Investment Holdings Limited (Stock code: 736), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal by the Company of a total of 90,480,000 China Kingstone Shares on the market dated 8 January 2019, 9 January 2019 and 11 January 2019 respectively for a total consideration of approximately HK$9.89 million
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"June Disposal"	the disposal by the Company of a total of 20,000,000 ordinary shares in the share capital of Asia Grocery Distribution Limited as disclosed in the Announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"%"	per cent.

By Order of the Board
China Properties Investment Holdings Limited
Han Wei
Chairman

Hong Kong, 30 July 2019

As at the date of this announcement, the executive Directors are Mr. Han Wei and Mr. Au Tat On, and the independent non-executive Directors are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Liang Kuo Chieh.