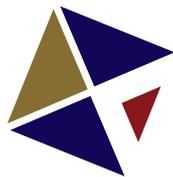


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## **CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED**

**中國置業投資控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 736)**

### **DISCLOSEABLE TRANSACTION**

On 27 July 2011 (after trading hours), the Company, entered into the Participation Agreements with the Lender and Power Alliance respectively in relation to the participation on the advancement of the First Participation Amount of HK\$42,000,000 and Second Participation Amount of HK\$8,000,000.

As the applicable percentage ratio(s) (as defined under the Listing Rules) exceeds 5% but less than 25%, the entering into of the Participation Agreements together constitutes a discloseable transaction on the part of the Company under the Listing Rules. It is subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

Reference is made to the announcement of Simsen International dated 7 June 2011 in relation to the Loan Agreement and Former Participation Agreement.

Pursuant to the Loan Agreement, the Lender has agreed to make the Loan of HK\$76,000,000 available to the Borrower. The amount of HK\$48,000,000 has been provided by the Lender to the Borrower directly in accordance with the Loan Agreement and the remaining amount of HK\$28,000,000 has already been lent to the Borrower through Power Alliance, a participant of the Loan under the Former Participation Agreement.

The Borrower is a company incorporated in the British Virgin Islands, the principal activity of which is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower and its ultimate beneficial owners are Independent Third Parties.

On 27 July 2011 (after trading hours), the Company, entered into the Participation Deed with the Lender and the Sub-Participation Agreement with Power Alliance respectively in relation to the participation on the advancement of the First Participation Amount of HK\$42,000,000 and Second Participation Amount of HK\$8,000,000.

\* *for identification purposes only*

## **PARTICIPATION AGREEMENTS**

### **Participation Deed**

**Date** : 27 July 2011 (after trading hours)

**Parties** : Simsen Capital Finance Limited, as the Lender

The Company, as the Participant

The Lender is a company incorporated in Hong Kong with limited liability. It is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong and its principal activity is money lending and provision of credits. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lender and its ultimate beneficial owners are Independent Third Parties.

### **First Participation Amount**

Pursuant to the Participation Deed, the Company has agreed to participate in making the First Participate Amount of HK\$42,000,000 available to the Lender. The amount of HK\$42,000,000 shall be provided by the Company to the Lender directly in accordance with the Participation Agreement.

### **Repayment of the First Participation Amount**

The Lender shall pay to the Company promptly, as and when received or collected by it from the Borrower, any amounts which the Lender may receive or collect representing repayment of the First Participation Amount and the Interest made by the Borrower under the Loan Agreement.

In the event that the Lender realizes any security interest under the Loan Documents (as hereinafter defined), the Lender shall pay to the Company promptly, as and when received by the Lender, the proportionate share (being the proportion of the First Participation Amount to the Loan amount) of the net proceeds (after deduction of all relevant reasonable costs and expenses) from such realization.

### **Interest**

Pursuant to the Participation Agreement, the Interest receivable to the Company's participated amount of HK\$42,000,000 shall accrue at the rate of 18 per cent. (18%) per annum. Such Interest shall be calculated on the basis of a 360-day per year and the actual number of days elapsed and the amount of Default Interest (if any) as referred to in the Loan Agreement in proportion to the participation of the Company in the Loan.

Pursuant to the Loan Agreement, if the Borrower defaults in repayment on the due date of any part of the Loan, interest or other amounts payable under the Loan Agreement, the Borrower shall pay additional interest (“**Default Interest**”) on such overdue sums from the due date until payment in full (before and after judgment) at the rate which is twenty per cent. (20%) per annum. Such interest shall be calculated on the basis of a 360-day per year and the actual number of days elapsed.

### **Conditions Precedent under the Participation Deed**

The Company’s obligations to make the First Participation Amount under the Participation Deed available to the Lender are subject to the conditions that:

- (1) The Company has conducted reasonable due diligence on the Borrower in all aspects the Company deems necessary and the results of such due diligence exercises are to the Company’s satisfaction in its sole and absolute discretion;
- (2) All representations and warranties made by the Lender to the Company under the Participation Deed shall be true and correct on the date of execution of the Participation Deed and on the date when the payment of the First Participation Amount is made;
- (3) All the conditions precedent under the Loan Agreement or other documents (except for the Participation Agreements) evidencing the terms of the Loan and any other documents ancillary thereto together with any securities, guarantees, indemnities, mortgage, charge, instruments or documents which have been executed for the Loan or any part thereof as security therefor (collectively, the “**Loan Documents**”);
- (4) No event of default as defined under Loan Documents has occurred under the Loan Documents and no such event of default shall occur as a result of the Company’s payment of the First Participation Amount save that:
  - (i) The covenants of the Borrower under Clause 12.1 the Loan Agreement regarding the amendment of the terms of the convertible notes and the promissory note (both as defined under the Loan Agreement) within 45 days of the date of the execution of the Loan Agreement have been delayed; and
  - (ii) The payment of interest pursuant to Clause 5.2 of the Loan Agreement within the time stipulated has been delayed, but payment of the same has been fully effected as at the date of this Announcement.

## **Enforcement under the Participation Deed**

The Lender shall consult the Company and obtain the agreement of the Company before taking or refraining from taking all or any steps with respect to the enforcement of the rights and the exercise of the authorities or powers conferred on the Lender under the Loan Documents.

In the event that the Lender does not proceed to take any action or steps with respect to the enforcement of the rights under the Loan Documents, the Lender hereby irrevocably and unconditionally appoints the Participant to be the Lender's attorney (the "**Attorney**") in its absolute discretion to do all things necessary for enforcing the Lender's rights under the Loan Documents including and not limited to instituting legal proceedings against the Borrower in the name of the Lender and taking all other actions the Participant deems necessary.

## **Sub-Participation Agreement**

**Date** : 27 July 2011 (after trading hours)

**Parties** : Power Alliance, as the participant

The Company, as the sub-participant

Power Alliance is a company incorporated in the British Virgin Islands, the principal activity of which is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Power Alliance and its ultimate beneficial owners are Independent Third Parties.

## **Second Participation Amount**

Pursuant to the Sub-Participation Agreement, the Company has agreed to participate in making the Second Participate Amount of HK\$8,000,000 available to the Power Alliance. The amount of HK\$8,000,000 shall be provided by the Company to Power Alliance directly in accordance with the Sub-Participation Agreement.

## **Repayment of the Second Participation Amount**

Power Alliance shall pay to the Company promptly, as and when received or collected by it from the Lender, any amounts which Power Alliance may receive or collect representing repayment of the Second Participation Amount and the Interest made by the Borrower under the Loan Agreement.

In the event that the Lender realizes any security interest under the Loan Documents, Power Alliance shall pay to the Company promptly, as and when received by Power Alliance, the proportionate share (being the proportion of the Second Participation Amount to the Loan amount) of the net proceeds (after deduction of all relevant reasonable costs and expenses) from such realization.

## **Interest**

Pursuant to the Sub-Participation Agreement, the Interest receivable by the Company's participated amount of HK\$8,000,000 shall accrue at the rate of 18 per cent. (18%) per annum. Such interest shall be calculated on the basis of a 360-day per year and the actual number of days elapsed and the amount of Default Interest (if any) as referred to in the Loan Agreement in proportion to the participation of the Company in the Loan.

Pursuant to the Loan Agreement, if the Borrower defaults in repayment on the due date of any part of the Loan, interest or other amounts payable under the Loan Agreement, the Borrower shall pay the Default Interest. Such interest shall be calculated on the basis of a 360-day per year and the actual number of days elapsed.

## **Conditions Precedent to the Sub-Participation Agreement**

The Company's obligations to make the amount of the Second Participation Amount available to Power Alliance are subject to the conditions that:

- (1) The Company has conducted reasonable due diligence on the Borrower in all aspects as the Company deems necessary and the results of such due diligence exercises are to the Company's satisfaction in its sole and absolute discretion;
- (2) All representations and warranties made by Power Alliance to the Company under the Sub-Participation Agreement shall be true and correct on the date of execution of the Sub-Participation Agreement and on the date when the payment of the Second Participation Amount is made;
- (3) All the conditions precedent under the Loan Documents have been fulfilled at the date of the execution of the Sub-Participation Agreement; and
- (4) No event of default as defined under the Loan Documents has occurred under the Loan Documents and no such event of default shall occur as a result of the Company's payment of the Second Participation Amount save that:
  - (i) The covenants of the Borrower under Clause 12.1 the Loan Agreement regarding the amendment of the terms of the convertible notes and the promissory note (both as defined under the Loan Agreement) within 45 days of the date of the execution of the Loan Agreement have been delayed; and
  - (ii) The payment of interest pursuant to Clause 5.2 of the Loan Agreement within the time stipulated has been delayed, but payment of the same has been fully effected as at the date of this Announcement.

## **Enforcement of the Sub-Participation Agreement**

The Lender shall consult Power Alliance, and Power Alliance shall in turn consult the Company and obtain the agreement of the Company before taking or refraining from taking all or any steps with respect to the enforcement of the rights and the exercise of the authorities or powers (including but not limited to the realization of the security interest under the Loan Documents) conferred on the Lender under the Loan Documents.

In the event of any events of default occurring under the Loan Documents, upon any reasonable requests by the Company on Power Alliance and after consultation with Power Alliance, Power Alliance shall procure that the Lender shall take the necessary actions to enforce the Lender's rights, authorities or powers under the Loan Documents including but not limited to realization of the security interest under the Loan Documents.

## **TERMS OF THE LOAN AGREEMENT**

Reference is made to the announcement of Simsen International dated 7 June 2011 in relation to the terms of the Loan Agreement. The repayment date of the Loan is the date falling three months from the date of drawdown which may be extended for further three months if so agreed by the parties thereto. The Loan has been drawdown by the Borrower on 7 June 2011 and accordingly the repayment date of the Loan will be 7 September 2011.

## **REASONS FOR ENTERING INTO OF THE PARTICIPATION AGREEMENTS**

The Group is principally engaged in (i) the properties investment business, comprising the rental of investment properties and the provision of the property management services; and (ii) the exploitation of copper and molybdenum in a mine located in the Inner Mongolia, the PRC.

The Company currently has certain idle cash in its bank accounts. The Board considers that (i) the entering into of the Participation Agreements shall provide a higher interest income to the Company as compared to depositing the cash in a bank; and (ii) the Loan is in a short term nature which will not exert significant cash flow pressure to the operation of the Company.

The Directors (including the independent non-executive Directors) consider that the Participation Agreements are entered into upon normal commercial terms following arm's length negotiations between the parties to the Participation Agreements and that the conditions and terms of the Participation Agreements are fair and reasonable and are in the interests of the Shareholders as a whole.

## **GENERAL**

As the applicable percentage ratio(s) (as defined under the Listing Rules) exceeds 5% but less than 25%, the entering into of the Participation Agreements together constitutes a discloseable transaction on the part of the Company under the Listing Rules. It is subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Make Success Limited, a company incorporated in the British Virgin Islands with limited liability, being the borrower under the Loan Agreement
“Company”	China Properties Investment Holdings Limited (中國置業投資控股有限公司*), a company incorporated in Bermuda and the Shares of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“First Participation Amount”	HK\$42,000,000
“Former Participation Agreement”	the participation agreement dated 7 June 2011 entered into between the Lender and Power Alliance in relation to participate without recourse to the Lender in the Loan an amount of HK\$28,000,000
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Interest”	in relation to each of the Participation Agreements, shall mean together the interest on the respective outstanding Participation Amount under each Participation Agreements, which shall accrue at the rate of 18 per cent per annum and be calculated on the actual number of days elapsed and on the basis of a 360 days per year and the default interest attributable to the respective outstanding Participation Amount (which have not been repaid under each respective Participation Agreements) under clause 5.3 of the Loan Agreement

“Lender”	Simsen Capital Finance Limited, a company incorporated in Hong Kong, an indirect wholly-owned subsidiary of Simsen International and is a licensed money lender
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the term loan of HK\$76,000,000 made available by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 7 June 2011 and entered into between the Lender and the Borrower in relation to the grant of the Loan
“Participation Deed”	the participation deed dated 27 July 2011 entered into between the Lender and the Company in relation to participate without recourse to the Lender in the Loan an amount of HK\$42,000,000
“Participation Agreements”	together, the Participation Deed and the Sub-Participation Agreement
“Power Alliance”	Power Alliance International Limited, a company incorporated in the British Virgin Islands, being a participant to the Participation Agreement
“Second Participation Amount”	HK\$8,000,000
“Simsen International”	Simsen International Corporation Limited (天行國際 (控股) 有限公司*), a company incorporated in Bermuda and the shares of which are listed on the main board of 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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Participation Agreement”	the sub-participation agreement dated 27 July 2011 entered into between the Power Alliance and the Company in relation to participate without recourse to Power Alliance in the Loan an amount of HK\$8,000,000

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board  
**China Properties Investment Holdings Limited**  
**Au Tat On**  
*Executive Director*

Hong Kong, 27 July 2011

*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.*