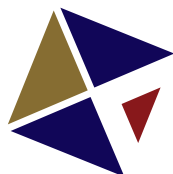


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## **CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED**

**中國置業投資控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 736)**

### **MAJOR TRANSACTION TERMINATION OF THE POSSIBLE ACQUISITION**

#### **THE DEED OF TERMINATION**

Pursuant to the Deed of Termination, the Company and each of the BVI Cos unconditionally and irrevocably agreed to terminate the Amended MOU. Upon the Effective Date, the Company and the BVI Cos shall be released and discharged from all their rights and obligations under the Amended MOU, save and except for any antecedent breach. The Guarantor has agreed inter alia to guarantee the performance of the obligations of the BVI Cos under the Deed of Termination and the performance of the obligations of the ListCo under the Promissory Note.

The Deposit in the aggregate amount of HK\$148,200,000 shall be returned by the BVI Cos to the Company in the following manner:–

- (a) a sum of HK\$25,000,000 payable in cash by the BVI Cos to the Company on or before the execution of the Deed of Termination; and
- (b) within 14 Business Days from the Effective Date (or any other days as mutually agreed by the Company and the BVI Cos in writing), a sum of HK\$123,200,000 to be satisfied by the BVI Cos procuring the ListCo to issue the Promissory Note due 12 months with an interest rate of 8% per annum in favour of the Company or its nominee.

#### **IMPLICATION UNDER THE LISTING RULES**

As certain applicable percentage ratios are more than 25% but less than 100% as calculated in accordance with Rule 14.07 of the Listing Rules, the Deed of Termination constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the

\* for identification purpose only

announcement, reporting and Shareholders' approval requirements. The SGM will be convened and held to approve, if thought fit, the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit).

## **GENERAL**

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, none of the Directors nor Shareholders is materially interested in the Deed of Termination. Hence, no Shareholder is required to abstain from voting on the resolution approving the Deed of Termination at the SGM.

A circular containing, among other things, further details of the Deed of Termination and the transactions contemplated thereunder and a notice of the SGM for the purpose of approving the Deed of Termination and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules but no later than 24 February 2014.

**Shareholders and investors should note that the Deed of Termination is subject to various conditions as stated in the section headed "Conditions Precedent" below and therefore the Deed of Termination may or may not become effective. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

References are made to the Company's announcements dated 21 June 2010, 20 September 2010, 22 September 2010, 20 October 2010, 30 November 2010, 20 December 2010, 21 December 2010, 24 March 2011, 21 June 2011, 20 September 2011, 21 December 2011, 20 March 2012, 20 June 2012, 2 November 2012, 24 December 2012, 31 May 2013, 20 June 2013, 21 August 2013, 28 August 2013, 16 October 2013, 25 October 2013, 28 October 2013, 4 November 2013, 18 December 2013 and 20 December 2013 respectively regarding the Possible Acquisition.

On 21 June 2010 (after trading hours), the Company entered into the MOU with the then shareholders of the Target Company in relation to the acquisition of the entire interest in the Target Company. Subsequently on 20 September 2010 (after trading hours), the Company entered into the SMOU with the then shareholders of the Target Company and their respective ultimate beneficial owners pursuant to which a refundable cash deposit of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) shall be paid by the Company to each of the then shareholders of the Target Company or their nominees on such date to be agreed by the parties to the SMOU.

On or about 22 September 2010, 30 November 2010 and 21 December 2010, the Company paid the then shareholders of the Target Company deposits in the amount of US\$10,000,000 (equivalent to HK\$78,000,000), US\$3,000,000 (equivalent to HK\$23,400,000) and US\$6,000,000 (equivalent to HK\$46,800,000) respectively. Later, pursuant to a letter of confirmation dated 9 September 2011, one

of the then shareholders of the Target Company, namely Bloom Trade Limited, was no longer a party to the Possible Acquisition and accordingly, all of its obligations under the MOU as amended by the SMOU and the previous letters of confirmation shall be released, hence the Possible Acquisition then became a possible acquisition by the Company of approximately 71.76% of the issued share capital of the Target Company.

Pursuant to the 2nd SMOU entered into between the Company and the BVI Cos on 20 June 2013, the remaining deposit shall not be paid by the Company unless and until the Company and the BVI Cos entered into a formal sale and purchase agreement. As at the date of this announcement, an aggregate amount of US\$19,000,000 (equivalent to HK\$148,200,000) has been paid by the Company as refundable deposit. As a continuing security for the due and punctual performance and observance by each of the BVI Cos of all the obligations of the Target Company and the Project Company contained in the MOU (as amended by the SMOU, the 2nd SMOU and the Letters of Confirmations), each of the BVI Cos has charged its respective shareholdings in the share capital of the Target Company to the Company pursuant to the Share Mortgages.

As set out in the Announcements, the Company has sought confirmation from the Stock Exchange regarding whether the Possible Acquisition would be classified for the purposes of the Listing Rules as a very substantial acquisition only but not a backdoor listing or a reverse takeover pursuant to Rule 14.06(6) of the Listing Rules. The Stock Exchange replied that they considered the Possible Acquisition is an extreme case and therefore, they would classify it as a reverse takeover under Rule 14.06(6) of the Listing Rules and the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if it proceeds with the Possible Acquisition. Such decision was upheld by the Listing Committee of the Stock Exchange. As such, after due consideration, the Board decided not to proceed with the Possible Acquisition and the BVI Cos agreed to return the Deposit in accordance with the terms and conditions of the Deed of Termination.

## **THE DEED OF TERMINATION**

### **Date:**

30 January 2014

### **Parties involved:**

- (1) The Company
- (2) Mighty Smart, Hover Max, Fortune Glow, Loyal Charm and Soar Power as the BVI Cos
- (3) Mr. Xiong Wei, being the ultimate beneficial owner of the BVI Cos, as the Guarantor

The BVI Cos are investment holding companies incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the BVI Cos, the Guarantor and their respective associates are Independent Third Parties.

## **Terms**

Pursuant to the Deed of Termination, the Company and each of the BVI Cos unconditionally and irrevocably agreed to terminate the Amended MOU. The Deed of Termination shall become effective upon the fulfillment of all the conditions set out in the section headed “Conditions Precedents” below. Upon the Effective Date, the Company and the BVI Cos shall be released and discharged from all their rights and obligations under the Amended MOU, save and except for any antecedent breach. The Guarantor has agreed inter alia to guarantee the performance of the obligations of the BVI Cos under the Deed of Termination and the performance of the obligations of the ListCo under the Promissory Note.

## **Return of the Deposit**

The Deposit in the aggregate amount of HK\$148,200,000 shall be returned by the BVI Cos to the Company in the following manner:–

- (a) a sum of HK\$25,000,000 payable in cash by the BVI Cos to the Company on or before the execution of the Deed of Termination; and
- (b) within 14 Business Days from the Effective Date (or any other days as mutually agreed by the Company and the BVI Cos in writing), a sum of HK\$123,200,000 to be satisfied by the BVI Cos procuring the ListCo to issue the Promissory Note in favour of the Company or its nominee.

As at the date of this announcement, the BVI Cos have paid the sum of HK\$25,000,000 in cash to the Company in accordance with the terms of the Deed of Termination.

## **Release of the Share Mortgages**

The Share Mortgages shall be released and discharged in the following manner:–

- (a) within 3 Business Days from the Effective Day (or any other days as mutually agreed by the Company and the BVI Cos in writing), the Company shall release and discharge the Share Mortgage entered by Fortune Glow and the Company; and
- (b) upon the settlement of the entire principal amount of the Promissory Note together with all interest accrued in full, the Company shall within 5 Business Days (or any other days as mutually agreed by the Company and the BVI Cos in writing) release and discharge the remaining Share Mortgages entered by the BVI Cos (other than Fortune Glow) and the Company.

## **Conditions precedent**

The Deed of Termination is subject to the fulfillment of the following conditions:-

- (a) the passing by the Shareholders at the SGM of the necessary resolutions to rectify and approve the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit);
- (b) (if necessary), the Stock Exchange having approved the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit);
- (c) (if required) the parties to the Deed of Termination all having obtained the approval, confirmation, waiver or consent from the relevant regulatory authority(ies) or other third parties in connection with the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit); and
- (d) the compliance with and performance of all the undertakings and obligations of the BVI Cos and the Guarantor under the Deed of Termination.

None of the above conditions can be waived by any parties to the Deed of Termination. The Deed of Termination shall have no effect unless and until all conditions set out above are fulfilled. The effective date of the Deed of Termination shall be on the date when all the conditions precedents are fulfilled.

## **The Promissory Notes**

According to the BVI Cos, the principal terms of the Promissory Notes are summarised as follows:

### ***Issuer***

The ListCo

### ***Principal amount***

HK\$123,200,000

### ***Maturity date***

The date falling on the 12 months from the issue date of the Promissory Notes or, if that is not a Banking Day, the next Banking Day immediately thereafter

### ***Interest***

8% per annum, payable upon maturity

### ***Repayment***

Payment of the principal amount of the Promissory Notes shall be made in full upon maturity

### ***Transferability***

The Promissory Notes will be freely transferable or assigned (in integral multiple of HK\$500,000 or such lesser amount representing the entire outstanding principal amount of the Promissory Notes). The Promissory Notes may not be assigned or transferred to a connected person (as defined in the Listing Rules) of the ListCo without the prior written consent of the ListCo.

### ***Early Redemption***

The Promissory Notes may, by giving not less than 7 day's written notice to the holder(s) of the Promissory Notes, at any time 3 Business Days prior to the maturity date, be redeemed by the ListCo at 100% of their face value together with all interest accrued on the principal amount of this Promissory Note thereby redeemed but unpaid.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in properties investment business, the exploitation of copper and molybdenum in a mine located in the Inner Mongolia, the PRC and money lending business.

The BVI Cos are investment holding companies incorporated in the BVI with limited liability. The Target Company is an investment holding company incorporated in the BVI with limited liability and is owned as to an aggregate of approximately 71.76% by the BVI Cos. As at the date of this announcement, the Target Company owns 100% of the legal and beneficial interest in the Project Company, which is a company incorporated in Nevada on 15 June 2010 with limited liability and whose principal assets are the Oil & Gas Rights under the Oil & Gas Leases, which covers an aggregate area of approximately 4,240.88 acres located in Nye County, Nevada, the U.S..

The ListCo is a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange. It principally engaged in waste paper, scrap metal and consumable wastes recycling. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ListCo and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR THE TERMINATION**

As mentioned in the section headed "Introduction" above, the Possible Acquisition would be classified as a reverse takeover pursuant to Rule 14.06(6) of the Listing Rule and the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if it proceeds with the Possible Acquisition. Such decision was upheld by the Listing Committee of the Stock Exchange. As such, after due consideration, the Board decided not to proceed with the Possible Acquisition.

On top of that, having considered the following factors:–

- (1) the Promissory Note will be issued by a listed company in Hong Kong;
- (2) the interest rates is much higher than prevailing interest rate of the banks;
- (3) the terms of the Promissory Note is no more than a year; and
- (4) other than the Share Mortgage entered by Fortune Glow and the Company, the remaining Share Mortgages will only be released and discharge upon the settlement of the entire principal amount of the Promissory Note together with all interest accrued in full,

the Directors is of the opinion that the terms of the Deed of Termination (including the terms for the return of the Deposit) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **IMPLICATION UNDER THE LISTING RULES**

As certain applicable percentage ratios are more than 25% but less than 100% as calculated in accordance with Rule 14.07 of the Listing Rules, the Deed of Termination constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders' approval requirements. The SGM will be convened and held to approve, if thought fit, the Deed of Termination and the transactions contemplated thereunder (including the terms for the return of the Deposit).

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, none of the Directors nor Shareholders is materially interested in the Deed of Termination. No Shareholder is required to abstain from voting on the resolution approving the Deed of Termination at the SGM.

### **GENERAL**

A circular containing, among other things, further details of the Deed of Termination and the transactions contemplated thereunder and a notice of the SGM for the purpose of approving the Deed of Termination and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules but no later than 24 February 2014.

**Shareholders and investors should note that the Deed of Termination is subject to various conditions as stated in the section headed "Conditions precedent" and therefore the Deed of Termination may or may not become effective. Investors and Shareholders are urged to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“2nd SMOU”	the second supplemental memorandum of understanding dated 20 June 2013 entered into among the Company, the BVI Cos and the Guarantor amending certain terms of the MOU as amended by the SMOU and the then previous letters of confirmations
“Amended MOU”	the MOU (as amended by the SMOU, 2nd SMOU and the Letters of Confirmation)
“Announcements”	announcements dated 21 June 2010, 20 September 2010, 22 September 2010, 20 October 2010, 30 November 2010, 20 December 2010, 21 December 2010, 24 March 2011, 21 June 2011, 20 September 2011, 21 December 2011, 20 March 2012, 20 June 2012, 2 November 2012, 24 December 2012, 31 May 2013, 20 June 2013, 21 August 2013, 28 August 2013, 16 October 2013, 25 October 2013, 28 October 2013, 4 November 2013, 18 December 2013 and 20 December 2013 respectively regarding the Possible Acquisition
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Banking Day(s)”	any day on which banks in Hong Kong generally are open for clearing and settlement business, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Board”	the board of Directors
“BVI”	British Virgin Islands
“BVI Cos”	collectively Mighty Smart, Hover Max, Fortune Glow, Loyal Charm and Soar Power



“Business Day(s)”	a day (excluding Saturday 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 open for business
“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 and the word “connected” shall be construed accordingly
“Deed of Termination”	the deed of termination dated 30 January 2014 entered into among, the Company, the BVI Cos and the Guarantor in relation to the termination of the Amended SMOU and the return of the Deposit
“Deposit”	The deposit in the aggregate amount of US\$19,000,000 (equivalent to approximately HK\$148,200,000) paid by the Company to the BVI Cos pursuant to the Amended MOU
“Director(s)”	the director(s) of the Company
“Effective Date”	the date when all the conditions precedent of the Deed of the Termination are fulfilled
“Fortune Glow”	Fortune Glow Limited (BVI Company Number 1598962), a company incorporated under the laws of the BVI which is holding 28.24% of the issued share capital of the Target Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Xiong Wei, the ultimate beneficial owner of the BVI Cos
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hover Max”	Hover Max Limited (BVI Company Number 1593801), a company incorporated under the laws of British Virgin Islands which is holding 37.65% of the issued share capital of the Target Company as at the date of this announcement
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Letters of Confirmation”	the letters of confirmation dated 20 October 2010, 20 December 2010, 24 March 2011, 21 June 2011, 9 September 2011, 20 September 2011, 21 December 2011, 20 March 2012, 20 June 2012, 2 November 2012, 24 December 2012 and 16 October 2013 entered into among the Company, the BVI Cos and the then ultimate beneficial owners of the BVI Cos to amend the terms of the MOU
“ListCo”	China Environmental Energy Investment Limited (Stock code: 986), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loyal Charm”	Loyal Charm Limited (BVI Company Number 1593284), a company incorporated under the laws of British Virgin Islands which is holding 0.88% of the issued share capital of the Target Company as at the date of this announcement
“Mighty Smart”	Mighty Smart Limited (BVI Company Number 1593818), a company incorporated under the laws of British Virgin Islands which is holding 4.12% of the issued share capital of the Target Company as at the date of this announcement
“MOU”	the memorandum of understanding dated 21 June 2010 and entered into between the Company and the then shareholders of the Target Company in relation to the Possible Acquisition
“Nevada”	the State of Nevada, the U.S.

“Oil & Gas Leases”	three federal oil and gas leases with respective serial number NVN86605, NVN86657 and NVN86778 originally issued by the U.S. and administered by the Bureau of Land Management of the Nevada State Office of the U.S. and each carries a term of 10 years from 1 February 2009, 1 March 2009 and 1 April 2009 respectively, that entitle their holders the exclusive right to drill for, mine, extract, remove and dispose of all oil and gas (except helium) in parcels of lands in Nevada, subject to renewal or extension in accordance with the appropriate authority
“Oil & Gas Rights”	the exclusive right under the Oil & Gas Leases to drill for, mine, extract, remove and dispose of all oil and gas (except helium) in parcels of lands in Nevada
“Possible Acquisition”	the possible acquisition of the 71.76% of the issued share capital of the Target Company by the Company from the BVI Cos pursuant to the Amended MOU
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Promissory Notes”	the promissory note(s) in the aggregate principal amount of HK\$123,200,000 due 12 months from its issuance and carrying interest of 8 per cent. per annum
“Project Company”	Bright Sky Energy & Minerals, Inc., a company incorporated in Nevada on 15 June 2010 with limited liability
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve by the Shareholders the Deed of Termination and the transactions contemplated thereunder, including the terms for the return of the Deposit
“Share(s)”	ordinary share(s) of HK\$0.03 each in the share capital of the Company
“Share Mortgages”	the respective share mortgages dated 22 September 2010 entered into by the Company and each of the BVI Cos whereby each of the BVI Cos charged its respective shareholdings in the share capital of the Target Company to the Company
“Shareholder(s)”	holder(s) of the Shares

“SMOU”	the supplemental memorandum of understanding dated 20 September 2010 and entered into among the Company, the then shareholders of the Target Company and their respective ultimate beneficial owners amending certain terms of the MOU
“Soar Power”	Soar Power Limited (BVI Company Number 1595611), a company incorporated under the laws of British Virgin Islands which is holding 0.88% of the issued share capital of the Target Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Pure Power Holdings Limited, an investment holding company incorporated in the British Virgin Islands on 1 April 2010 with limited liability
“U.S.”	the United States of America
“US\$”	US dollar(s), the lawful currency of the U.S.
“%”	per cent.

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

Hong Kong, 30 January 2014

*For the purpose of this announcement, all amounts denominated in US\$ have been translated (for information only) into HK\$ using the exchange rates of US\$1:HK\$7.8. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.*

*In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

*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.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange and the website of the Company for at least seven days from the date of its posting.*