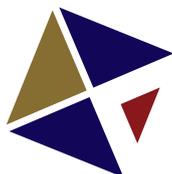


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

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 IN LIQUN INVESTMENTS LIMITED AND ISSUE OF DEBT SECURITIES

Financial Adviser to the Company

AMASSE CAPITAL

寶 積 資 本

THE AGREEMENT

The Board is pleased to announce that, on 16 October 2014 (after trading hours), the Company entered into the Agreement with the Vendor and the Guarantors, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK\$100,000,000, which will be satisfied by cash and the issue of the Promissory Note.

LISTING RULES IMPLICATIONS

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

* *for identification purpose only*

Shareholders and potential investors should note that Completion is subject to the satisfaction of the conditions set out under the paragraph headed “Conditions precedent” of the section headed “THE AGREEMENT” of this announcement. As the transactions contemplated by the Agreement may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that, on 16 October 2014 (after trading hours), the Company entered into the Agreement with the Vendor and the Guarantors, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK\$100,000,000, which will be satisfied by cash and the issue of the Promissory Note.

THE AGREEMENT

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

Date

16 October 2014

Parties

- (i) Purchaser: the Company
- (ii) Vendor: Wan Cheng Investments Limited
- (iii) Guarantors: Mr. Chu Hong Chuen Raymond
Mr. Chim Man Tung
Mr. Kam Wing Sau

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor, its ultimate beneficial owner(s) and the Guarantors is an Independent Third Party.

Assets to be acquired

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

Consideration

The Consideration is HK\$100,000,000, which will be settled in the following manner:

- (i) HK\$30,000,000 shall be payable in cash within seven Business Days from the date of the Agreement; and
- (ii) HK\$70,000,000 shall be payable by the issue of the Promissory Notes on the Completion Date.

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

The Consideration is determined based on arm's length negotiations between the Company and the Vendor with reference to, among others, the estimated value of 100% issued share capital of the Subsidiary (the "**Valuation**"), of HK\$159,000,000 as at 31 July 2014 prepared by an independent professional valuer, Roma Appraisals Limited ("**Roma**").

Company's early redemption of the Promissory Notes

The Company shall redeem such amount of outstanding principal of the Promissory Notes calculated as follows prior to their maturity date in accordance with the terms and conditions of the Promissory Notes:

Period indicated	Amount of outstanding principal of the Promissory Notes to be redeemed
Six months ending 30 September 2015	HK\$10,000,000 x A/1,500,000
Financial year ending 31 March 2016	HK\$10,000,000 x B/3,000,000
Six months ending 30 September 2016	HK\$25,000,000 x C/9,000,000
Financial year ending 31 March 2017	HK\$25,000,000 x D/18,000,000

Where:

A = the net profit after tax of the Subsidiary for the six months ending 30 September 2015 as shown in the Financial Statements (as defined below)

B = the audited net profit after tax of the Subsidiary for the financial year ending 31 March 2016 as shown in the Financial Statements (as defined below)

C = the net profit after tax of the Subsidiary for the six months ending 30 September 2016 as shown in the Financial Statements (as defined below)

D = the audited net profit after tax of the Subsidiary for the financial year ending 31 March 2017 as shown in the Financial Statements (as defined below)

provided that, for the purpose of calculating the amount of outstanding principal of the Promissory Notes to be redeemed, the actual net profit after tax of the Subsidiary for each of the periods indicated above shall not exceed the Guaranteed Profit (as defined below) for the same period.

The above early redemption of the Promissory Notes ties up to the financial performance of the Subsidiary and was arrived at after arm's length negotiations between the parties. The Directors consider that the arrangement of such early redemption is in the interests of the Company and the Shareholders as a whole.

The Company will make further announcement on any redemption of and any other material development of the Promissory Notes as and when appropriate and will include such details in its future annual reports.

Profit guarantee

Each of the Vendor and the Guarantors, on a joint and several basis, irrevocably warrants and guarantees to the Company that the Subsidiary shall attain the following performance targets (the "**Guaranteed Profit**") for the periods as indicated in the following as shown in its financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "**Financial Statements**"):-

- (i) a net profit after tax of not less than HK\$1,500,000 for the six months ending 30 September 2015;
- (ii) an audited net profit after tax of not less than HK\$3,000,000 for the financial year ending 31 March 2016;
- (iii) a net profit after tax of not less than HK\$9,000,000 for the six months ending 30 September 2016; and
- (iv) an audited net profit after tax of not less than HK\$18,000,000 for the financial year ending 31 March 2017.

In the event that the aggregate of the audited net profit after tax of the Subsidiary for the two financial years ending 31 March 2017 as shown in the Financial Statements shall be less than the aggregate of the Guaranteed Profit for the same period, i.e. HK\$21,000,000, the Vendor shall pay to the Company such sum in cash equivalent to the Consideration multiplying by the following fraction:

$$\frac{(F - E)}{F}$$

Where:

E = the aggregate of the audited net profit after tax of the Subsidiary for the two financial years ending 31 March 2017 as shown in the Financial Statements

F = the aggregate of the Guaranteed Profit for the two financial years ending 31 March 2017

The Company will make further announcement on the performance of and any other material development of the profit guarantee as and when appropriate and will include such details in its future annual reports.

Other undertakings

Each of the Guarantors jointly and severally guarantees to the Company the due performance of the obligations of the Vendor under the Agreement.

The Company may from time to time and at any time in its absolute and unfettered discretion grant to the Subsidiary short term loan facility up to HK\$10,000,000 for such period as it deems fit and subject to such terms as may be agreed to fulfil the financial requirement of the Subsidiary. Such loan facility shall be available for drawdown from the date of the Agreement and expire on the date falling on the second anniversary of the date thereof.

Conditions precedent

Completion is conditional upon fulfilment of the following Conditions:–

- (i) completion of the due diligence exercise on the Target Group to the reasonable satisfaction of the Company that the warranties given by the Vendor and the Guarantors under the Agreement are true and correct in all material respects;
- (ii) the existing management team of the Subsidiary remaining unchanged;
- (iii) all requisite consents, authorizations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Agreement having been obtained by the respective parties to the Agreement (including but not limited to the necessary consent from the Stock Exchange, if any); and

- (iv) none of the warranties given by the Vendor and the Guarantors and other provisions of the Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the warranties given by the Vendor and the Guarantors under the Agreement) is misleading or untrue in any material respect.

None of the above Conditions are capable of being waived. Each of the Company, the Vendor and the Guarantors shall use their respective best endeavours to procure the fulfilment of all the above Conditions. If all the above Conditions shall not have been fulfilled within 30 days thereof, the Agreement shall be terminated forthwith (save for the provisions relating to definitions and interpretations, costs and expenses, confidentiality, miscellaneous matters and governing law and jurisdiction) and each party to the Agreement shall have no liability to the other parties thereto save and except for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the Completion Date.

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

PROMISSORY NOTES

The principal terms of the Promissory Notes are as follows:

Issuer:	The Company
Principal amount:	HK\$70,000,000
Issue date:	Completion Date
Maturity date:	The day falling on the expiry of 30 months from the date of issue of the Promissory Notes (the " Maturity Date ")
Interest:	8% per annum
Transferability:	The holder of the Promissory Notes may freely assign or transfer the Promissory Notes whether in whole or in part to any person (other than a connected person of the Company or any person regarded as a resident of Bermuda) provided that a duly completed transfer form in respect of the transfer shall be served on the Company prior to such transfer.

Early Redemption: The Company shall redeem such amount of the outstanding principal of the Promissory Notes as set out in the paragraph headed “Company’s early redemption of the Promissory Notes” under the section headed “THE AGREEMENT” above at any time before the Maturity Date. The holder of the Promissory Note may not redeem the Promissory Note prior to the Maturity Date save and except on the occurrence of an event of default set out below.

Events of default: The Promissory Notes contain certain events of default, including, among others:

- (1) any default made by the Company in the performance or observance of any undertaking, warranty or representation given by it under the terms of the Promissory Note Instrument (other than the covenant to pay the principal and interest in respect of the Promissory Notes) and such default is incapable of remedy (in which event no such notice as is referred to below shall be required), or if capable of remedy is not remedied within 30 Business Days of service by any holder of the Promissory Notes on the Company of notice requiring such default to be remedied;
- (2) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction;
- (3) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganisation or insolvency law, and such proceedings shall not have been discharged or stayed within 30 Business Days thereafter in relation to the jurisdiction concerned;
- (4) it is or becomes unlawful for the Company to perform or comply with any of its obligations under the Promissory Note Instrument or any Promissory Notes, or due to no fault on the part of any holder of the Promissory Notes any such obligation is not or ceases to be enforceable or is claimed by the Company not to be enforceable;
- (5) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Promissory Notes or the Promissory Note

Instrument, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Promissory Notes or Promissory Note Instrument admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done by the requisite time;

- (6) any breach of the representations, warranties and undertakings made by the Company to the holder of the Promissory Notes in reliance of which such holders subscribe to the Promissory Notes; and
- (7) any event occurs which has an analogous effect to any of the events above.

If any event of default pursuant to the terms and conditions of the Promissory Note Instrument occurs, the holder of the Promissory Note shall be entitled to serve a notice on the Company and demand the Promissory Notes to become due and payable immediately in whole or in part and be entitled to redeem the Promissory Notes.

Status: The Promissory Notes constitute general, unsecured and unsubordinated obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company.

Listing of the Promissory Note: No application will be made for the listing of the Promissory Notes on any stock exchange.

The Directors are of the view that the terms of the Promissory Notes are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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 Target Group is principally engaged in the trading of educational software and provision of education, skills training and education consultation.

Whilst the Group remains focused on developing its existing businesses, the Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in a new line of business with growth potential and broaden its source of income.

By leveraging on (i) the support from Quality Education Fund (the “QEF”), which was established by the Government of Hong Kong in 1998 and with an allocation of HK\$5 billion at the relevant time, to finance projects for the promotion of quality education in Hong Kong; (ii) the services of the Target Group which are under the priority themes of the QEF; and (iii) the extensive experiences of the Target Group’s management team in the education sector, the Directors are of the view that the Acquisition provides a prime opportunity for the Group to diversify the revenue stream of the Group 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.

INFORMATION ON THE VENDOR

The Vendor is principally engaged in investment holding.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability with an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1 each, of which one ordinary share has been issued and fully paid-up as at the date of this announcement.

The Subsidiary is a company incorporated in Hong Kong with limited liability which has issued 10 ordinary shares with the total amount of paid up capital of HK\$10 as at the date of this announcement. The Subsidiary is owned as to 90% by the Target Company.

According to the unaudited management accounts of the Target Company, for the period from 18 August 2014, being the date of incorporation of the Target Company, to 6 October 2014, it recorded nil profit before and after taxation and extraordinary items. The net assets of the Target Company as at 6 October 2014 are approximately HK\$7.80.

Set out below is the financial information of the Subsidiary as extracted from its audited financial statements prepared in accordance with Hong Kong Accounting Standards for the financial years ended 31 March 2013 and 2014 respectively:

	For the year ended 31 March	
	2013	2014
Net profit before taxation and extraordinary items	HK\$22,867	HK\$124,599
Net profit after taxation and extraordinary items	HK\$24,025	HK\$114,957

The net assets of the Subsidiary as at 31 March 2014 according to its audited financial statements are approximately HK\$123,097.

PROFIT FORECAST

According to the Valuation, the estimated value of 100% issued share capital of the Subsidiary is HK\$159,000,000 which is prepared using discounted cash flow method under the income approach. Therefore, the Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The Valuation has been prepared on the following major assumptions:–

- The Subsidiary will be operated and developed as planned by the management of the Subsidiary. In 2014, the Subsidiary will mainly conduct preparation works for the future operation, such as setting up a new office and hiring more staff. The management of the Subsidiary expected that there would be revenue inflows commencing from 2015;
- The Valuation was mainly based on the projections of the future cash flows from 2014 to 2018 as provided by the management of the Subsidiary. The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- The Valuation was performed under the going concern assumption and the terminal growth rate of the Subsidiary after 2018 was assumed to be 3%, with reference to the historical inflation rate in Hong Kong as sourced from Bloomberg;
- A discount rate of around 16% was applied in the valuation with reference to several listed companies with similar business natures and operations as the Subsidiary;
- A marketability discount of 21% was also applied in the Valuation, due to the fact that ownership interest of the Subsidiary is not readily marketable as compared to similar interest in listed companies, with reference to the 2013 edition of the FMV Restricted Stock Study Companion Guide;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Subsidiary operates or intends to operate would be officially obtained and renewable upon expiry;
- There will be sufficient supply of technical staff in the industry in which the Subsidiary operates, and the Subsidiary will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- There will be no major change in the current taxation laws in the localities in which the Subsidiary operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Subsidiary operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Subsidiary; and
- Interest rates and exchange rates in the localities for the operation of the Subsidiary will not differ materially from those presently prevailing.

The auditor of the Company, Crowe Horwath (HK) CPA Limited (“**Crowe Horwath**”), has examined and reported on the calculations of the discounted future estimated cash flows on which the valuation is based. Amasse Capital Limited (“**Amasse**”), the financial adviser to the Company in connection with the profit forecast in respect of the Valuation, has confirmed that the Valuation has been made after due and careful enquiry by the Board.

A letter from each of Crowe Horwath and Amasse has been submitted to the Stock Exchange and is included in the Appendices I and II respectively to this announcement pursuant to Rules 14.60A and 14.62 of the Listing Rules.

The following is the qualification of each expert who has provided its conclusion or advice contained in this announcement:

Name	Qualification
Roma	Professional valuer
Crowe Horwath	Certified Public Accountants
Amasse	A licenced corporation to carry on Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

As at the date of this announcement, none of Roma, Crowe Horwath or Amasse has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

Each of Roma, Crowe Horwath and Amasse has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all references to its name in the form and context in which it respectively appears in this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceed 5% but are 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.

Shareholders and potential investors should note that Completion is subject to the satisfaction of the conditions set out under the paragraph headed “Conditions precedent” of the section headed “THE AGREEMENT” of this announcement. As the transactions contemplated by the Agreement may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share by the Company pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 16 October 2014 and entered into by the Company, the Vendor and the Guarantors in respect of the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong
“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 Share in accordance with the provisions of the Agreement
“Completion Date”	the fifth Business Day after the fulfillment or waiver of the Conditions or such other date as the Company, the Vendor and the Guarantors may agree in writing
“Conditions”	the conditions set out under the paragraph headed “Conditions precedent” above of this announcement
“Consideration”	an aggregate of HK\$100,000,000 for the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

* for identification purpose only

“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Chu Hong Chuen Raymond, Mr. Chim Man Tung and Mr. Kam Wing Sau and each a “Guarantor”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Promissory Notes”	the promissory notes of a principal amount of HK\$70,000,000 at the interest rate of 8% per annum to be issued by the Company to the Vendor pursuant to the Agreement
“Promissory Note Instrument”	the instrument constituting the Promissory Notes to be executed by the Company on the Completion Date
“Sale Share”	one issued and fully-paid ordinary share with a par value of US\$1 in the capital of the Target Company, representing the entire share capital of the Target Company
“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
“Subsidiary”	Kotech Educational Limited, a company incorporated under the laws of Hong Kong with limited liability, which is owned as to 90% by the Target Company
“Target Company”	Liquon Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is wholly-owned by the Vendor
“Target Group”	the Target Company and the Subsidiary

“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Wan Cheng Investments Limited, a company incorporated under the laws of Samoa with limited liability and the registered and beneficial owner of the Sale Share
“%”	percentage

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

Hong Kong, 16 October 2014

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Miss 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.

APPENDIX I – LETTER FROM CROWE HORWATH (HK) CPA LIMITED

The following is the text of a report received from Crowe Horwath (HK) CPA Limited for the purpose of inclusion in this announcement.

16 October 2014

The Board of Directors
China Properties Investment Holdings Limited
Room 2707-08, 27/F,
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Dear Sirs

China Properties Investment Holdings Limited (the “Company”)

We refer to the discounted future cash flows on which the business valuation (the “**Valuation**”) of the Kotech Educational Limited (the “**Target Company**”) dated 16 October 2014 prepared by Roma Appraisals Limited in respect of the business valuation of the Target Company as at 31 July 2014. The Valuation is prepared based on the discounted cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Responsibilities

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the

calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong

Alvin Yeung Sik Hung

Practising Certificate Number P05206

APPENDIX II – LETTER FROM AMASSE CAPITAL LIMITED

The following is the text of a report received from Amasse Capital Limited, the financial adviser to the Company, in connection with the profit forecast included in the Valuation for the purpose of inclusion in this announcement.

16 October 2014

The Board of Directors
China Properties Investment Holdings Limited
Room 2707-08, 27/F,
China Resources Building,
26 Harbour Road, Wanchai,
Hong Kong

Dear Sirs,

We refer to the valuation (the “**Valuation**”) prepared by Roma Appraisals Limited (“**Roma**”) and dated 16 October 2014 in relation to the estimation of the value of 100% issued share capital of Kotech Educational Limited (“**Kotech**”) as at 31 July 2014 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Unless otherwise stated, capitalised terms used in this report should have the same meanings as those defined in the announcement of China Properties Investment Holdings Limited (the “**Company**”) dated 16 October 2014.

We have reviewed the Profit Forecast upon which the Valuation has been made for which you as the Directors are responsible and discussed with you and Roma the information and documents provided by you which formed part of the bases and assumptions upon which the Profit Forecast has been prepared. We have also considered the letter from Crowe Horwath dated 16 October 2014 addressed to yourselves as set out in Appendix I to this announcement regarding the calculations upon which the Profit Forecast has been made. We noted that in the opinion of Crowe Horwath that, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. The Profit Forecast is based on a number of bases and assumptions pertaining to the businesses of Kotech. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the businesses of Kotech may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted by Roma on the Valuation, for which Roma and the Company are responsible, we are of the opinion that the Profit Forecast upon which the Valuation has been made, for which you as the Directors are solely responsible, have been made after due and careful enquiry by you. Our opinion has been given for the sole purpose of compliance with Rule 14.62(3) of the Listing Rules and for no other purpose.

Yours Faithfully,
For and on behalf of
Amasse Capital Limited
LAM Ting Lok
Managing Director