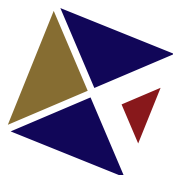


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

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 LEASE AGREEMENT

THE LEASE AGREEMENT

The Board hereby announces that on 10 December 2021, the Company, through its wholly-owned subsidiary, Shanghai Xiang Chen Hang as the tenant, entered into the Lease Agreement with Shanghai Yuexi as the landlord in relation to the lease of the Premises (as defined below).

IMPLICATION UNDER THE LISTING RULES

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement, the Group will recognise additions to right-of-use assets in the consolidated financial statements of the Group in respect of the Premises from the commencement of the Term (as defined below). As such, this transaction will be regarded as acquisition of assets by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. Based on preliminary estimation of the Company, the value of the right-of-use assets in respect of the Premises shall amount to approximately RMB13,142,000 (equivalent to approximately HK\$16,081,000) in aggregate for the lease term of ten years.

The value of the right-of-use assets represents the best estimate of the present value of aggregated lease payments with the lease in accordance with HKFRS 16.

Since the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease Agreement is more than 5% and below 25%, the Lease Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

* For identification purpose only

BACKGROUND

Reference is made to the prospectus of the Company dated 22 October 2021 in relation to the Rights Issue and as disclosed, the Group has entered into a letter of intent to rent the Premises with a term of ten years.

The Board hereby announces that on 10 December 2021, the Company, through its wholly-owned subsidiary, Shanghai Xiang Chen Hang, entered into the Lease Agreement with Shanghai Yuexi in relation to the leasing of the Premises.

THE LEASE AGREEMENT

A summary of the principal terms of the Lease Agreement is set forth below:

Date:	10 December 2021.
Parties:	(i) Shanghai Xiang Chen Hang, as the tenant; and (ii) Shanghai Yuexi, as the landlord.
Premises:	The building located in No. 194, Shui Dian Lu, Hong Kou Qu, Shanghai, the PRC with an aggregate gross floor area of approximately 2,819 sq.m.
Term:	For a term of ten (10) years commencing from 10 December 2021 to 9 December 2031 (the “Term”).
Uses:	As apartment for white-collar workers.
Rent:	The rent is RMB1,646,292 per annum. The first year rent was paid upon signing of the Lease Agreement. The annual rent for subsequent years of the Term is payable one month in advance of commencement of each rental year. The rent is expected to be satisfied by the internal resources of the Group.
Utilities and other miscellaneous fees:	Shanghai Xiang Chen Hang shall be responsible for utilities and other miscellaneous fees in relation to the Premises.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

To cater to and for the purposes of expansion of the Group’s properties investment business, the Group has been identifying new lease of potential properties in Shanghai so that the Group may further sublease the properties to third parties for a premium rental income. By entering into the Lease Agreement, the Group believes that it can generate additional revenue for the Group and

enhance the portfolio of investment properties of the Group. The entering into of the Lease Agreement is also in line with intended use of proceeds raised from the Rights Issue including, among others, for enhancement of the properties investment business of the Group.

The terms (including the rent) of the Lease Agreement were determined after arm's length negotiations with reference to the prevailing market rent for comparable premises in the vicinity. As such, the Board considers that the Lease Agreement was entered into on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND SHANGHAI YUEXI

The Company is an investment holding company and the principal activities of the Group are properties investment and money lending business.

Shanghai Xiang Chen Hang is a wholly-owned subsidiary of the Company which is principally engaged in property investment.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) Shanghai Yuexi is principally engaged in advertising design, production and agency services, organizing cultural and artistic exchange activities and hosting of conferences, exhibitions and display events; and (ii) Shanghai Yuexi and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement, the Group will recognize additions to right-of-use assets in the consolidated financial statements of the Group in respect of the Premises from the commencement of the Term. As such, this transaction will be regarded as acquisition of assets by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. Based on preliminary estimation of the Company, the value of the right-of-use assets in respect of the Premises shall amount to approximately RMB13,142,000 (equivalent to approximately HK\$16,081,000) in aggregate for the lease term of ten years.

The value of the right-of-use assets represents the best estimate of the present value of aggregated lease payments with the lease in accordance with HKFRS 16.

Since the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Lease Agreement is more than 5% and below 25%, the Lease Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirement but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITION

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

“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Lease Agreement”	the formal lease agreement dated 10 December 2021 entered into between Shanghai Xiang Chen Hang as the tenant and Shanghai Yuexi as the landlord in relation to the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Rights Issue”	the issue of the rights shares by way of rights on the basis of one (1) rights share for every one (1) Share held by the qualifying Shareholders on 21 October 2021 at the subscription price of HK\$0.47 per rights share
“RMB”	Renminbi Yuan, the lawful currency of China
“Shanghai Xiang Chen Hang”	Shanghai Xiang Chen Hang Place The Industry Co Limited* (上海祥宸行置業有限公司), a limited liability company established in the PRC on 16 June 2004 and a wholly-owned subsidiary of the Company, being the tenant under the Lease Agreement

“Shanghai Yuexi”	Shanghai Yuexi Culture Communication Co., Ltd.* (上海粵西文化傳播有限公司), a limited liability company established in the PRC on 30 November 2004, being the landlord under the Lease Agreement
“Share(s)”	share(s) of HK\$0.40 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m”	square metres
“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, 10 December 2021

As at the date of this announcement, the executive Directors are Mr. Han Wei, Mr. Au Tat On and Mr. Wang Linbo and the independent non-executive Directors are Mr. Tang Yiu Kay, Ms. Cao Jie Min and Mr. Liang Kuo Chieh.

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