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MACAU INVESTMENT
HOLDINGS LIMITED

MACAU INVESTMENT HOLDINGS LIMITED

澳門投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2362)

- (1) SUBSCRIPTION FOR NEW SHARES**
- (2) PLACING OF NEW SHARES;**
- (3) WHITEWASH WAIVER;**
- (4) PROPOSED GRANT OF SPECIFIC MANDATE;**
- AND**
- (5) RESUMPTION OF TRADING**

Arranger

in relation to the Jinchuan Subscription



BOCI ASIA LIMITED

Placing Agent



新鴻基金融集團

SUN HUNG KAI FINANCIAL

SUBSCRIPTION FOR NEW SHARES

On 14 August 2010, the Company entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue and allot, on the Subscription Completion Date such number of Shares equal to US\$60,000,000 (being the total consideration), divided by HK\$0.28 (being the Subscription Price per Share). Based on the prevailing exchange rate at the date of the Subscription Agreement, a total of 1,667,142,857 Shares will be subscribed by the Subscriber.

The Subscription Shares represent:

- (a) approximately 2.6 times of the existing issued share capital of the Company;
- (b) approximately 72.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares; and
- (c) approximately 61.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

Completion of the Subscription Agreement is conditional upon, among others, the terms and conditions as set forth therein.

PLACING OF NEW SHARES

On 14 August 2010, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent on a best effort basis of a maximum of 417,000,000 Placing Shares at a price of HK\$0.28 per Share to the Placees who are Independent Third Parties.

Assuming all the Placing Shares have been successfully placed by the Placing Agent and issued by the Company, the Placing Shares represent:

- (a) approximately 64.7% of the existing issued share capital of the Company;
- (b) approximately 39.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and
- (c) approximately 15.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

WHITEWASH WAIVER

Upon completion of the Subscription Agreement, the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them will in aggregate hold approximately 1,667,142,857 Shares, representing approximately 72.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber and parties acting in concert with it would incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those held or agreed to be acquired by the Subscriber and parties acting in concert with it. Upon completion of the Subscription Agreement and the Placing Agreement, the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them will in aggregate hold approximately 1,667,142,857 Shares, representing approximately 61.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

The Subscriber will make an application to the Executive for the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Subscription and the Whitewash Waiver at the EGM by way of poll.

GENERAL

The EGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the Placing Agreement and the transactions contemplated thereunder; (iii) the Whitewash Waiver; and (iv) the granting of the Specific Mandate. The Subscriber, its ultimate beneficial owner and parties acting in concert with any of them do not hold any Shares or any other securities in the Company and accordingly will not vote on any of the resolutions. Only Shareholders who do not have a material interest or who are not involved in or interested in the Subscription, the Placing and Whitewash Waiver will vote on the aforesaid resolutions.

VC Capital, the independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription and the Whitewash Waiver.

A circular will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules and the Takeovers Code.

If the Whitewash Waiver is not obtained or any of the conditions precedent to the completion of the Subscription or to the completion of the Placing is not satisfied or (if applicable) waived, the Subscription and/or the Placing will lapse and will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any other securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 August 2010 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 24 August 2010.

THE SUBSCRIPTION AGREEMENT

Date: 14 August 2010

Parties:

- (a) The Company, as the issuer of the Subscription Shares; and
- (b) Jinchuan Group (Hongkong) Resources Holdings Limited (金川集團(香港)資源控股有限公司), the Subscriber.

The Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe from the Company, on the Subscription Completion Date such number of Shares equal to US\$60,000,000 (being the total consideration), divided by HK\$0.28 (being the Subscription Price per Share). Based on the prevailing exchange rate at the date of the Subscription Agreement, a total of 1,667,142,857 Shares will be subscribed by the Subscriber.

The Subscription Shares represent:

- (a) approximately 2.6 times of the existing issued share capital of the Company;
- (b) approximately 72.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares; and
- (c) approximately 61.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

Specific Mandate to issue the Subscription Shares

The Subscription Shares will be issued under a specific mandate proposed to be sought from the Shareholders at the EGM.

The Subscription Price

The Subscription Price of HK\$0.28 per Share represents:

- (a) a discount of approximately 63.2% to the closing price of HK\$0.76 per Share on the Stock Exchange on the Last Trading Day of the Shares;
- (b) a discount of approximately 62.2% to the average closing price of approximately HK\$0.74 per Share for the last 5 trading days up to and including the Last Trading Day;
- (c) a discount of approximately 57.6% to the average closing price of approximately HK\$0.66 per Share for the last 10 trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 50.0% to the average closing price of approximately HK\$0.56 per Share for the last 30 trading days up to and including the Last Trading Day.

The net aggregate proceeds from the Subscription, after deduction of relevant expenses (including but not limited to the legal expenses and disbursements), is estimated to be approximately HK\$456 million. The net price per Subscription Share is approximately HK\$0.274 after deduction of relevant expenses of the Subscription.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the share price prevailing at the time of the negotiation and the financial position of the Group. The Directors (other than the non-executive Directors who have no direct or indirect interest in the Subscription, who will be advised by the independent financial adviser) consider that the Subscription Agreement is entered into upon normal commercial terms and the terms of the Subscription Agreement (including, without limitation the Subscription Price) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Subscription Agreement is conditional upon the satisfaction of (if applicable, waiver) the following conditions:

- (a) Shareholders (or Independent Shareholders, if applicable) approving at the EGM the issuance of the Subscription Shares pursuant to the Subscription Agreement and the transactions contemplated thereunder, including the appointment of directors nominated by the Subscriber, the Subscription and the Whitewash Waiver;
- (b) the Executive granting of the Whitewash Waiver to the Subscriber and parties acting in concert with it, and the Whitewash Waiver remaining valid on the Subscription Completion Date;

- (c) the Listing Committee of the Stock Exchange granting approval for the listing of, and dealing in, the Subscription Shares;
- (d) the Company is not, as a result of the Subscription or any other transactions contemplated under the Subscription Agreement, being deemed by the Stock Exchange as a cash company and/or the Subscription is not being deemed by the Stock Exchange as a reverse takeover transaction, and/or the Company is not being required by the Stock Exchange to suspend trading until fulfillment of the requirements of a new listing application under the Listing Rules;
- (e) the Subscription and/or any other transactions contemplated under the Subscription Agreement are not being deemed by the SFC as a special deal under the Takeovers Code;
- (f) all warranties in the Subscription Agreement being true, accurate and not misleading as at the date of the Subscription Agreement and the Subscription Completion Date;
- (g) from the date of the Subscription Agreement until the Subscription Completion Date, the Company and other members of the Group complying with the pre-completion undertakings set out in the Subscription Agreement;
- (h) the Shares continuing to be listed and traded on the Stock Exchange and no requests having been received from the SFC and/or the Stock Exchange that the listing status of the Shares on the Stock Exchange will be revoked or cancelled as a result of the completion of the Subscription Agreement or any terms thereunder or other matters;
- (i) the minimum public float requirements under the Listing Rules not being breached by the Company as result of the Subscription;
- (j) before the last condition (not including this condition) of the Subscription Agreement is fulfilled, satisfied or waived, no person (except a party to the Subscription Agreement) having commenced litigation against any party to the Subscription Agreement or having challenged the legality or validity of the Subscription Agreement or restricting any party to the Subscription Agreement to complete the transactions contemplated thereunder at any relevant authorities.
- (k) the Subscriber having completed due diligence on the Company and the results of such due diligence being satisfactory to the Subscriber;
- (l) all relevant authorities and other third parties having granted all necessary consents, approvals, reports and filings (if applicable) in respect of Subscription Agreement and the transactions contemplated thereunder;

- (m) since the date of the Subscription Agreement, (i) there having been no events, conditions, occurrence or development of a state of circumstances or facts which has had or reasonably could be expected to have a material and adverse change or effect on the business, operations, assets or liabilities, financial conditions or prospects of the Group or any of its subsidiaries (as applicable) and; (ii) there having been no change in the applicable laws in each of the jurisdictions in which the Group has business operations which may lead to material and adverse effect;
- (n) the Subscriber having received an legal opinion issued by Cayman Islands counsels on matters of Cayman Islands law in a form reasonably satisfactory of the Subscriber; and
- (o) in order to improve the operating results of the overall business operation of the Group, the Group and/or the relevant members of the Group shall implement improvement measures and arrangements regarding the management and operations of its current business operations to the satisfaction of the Subscriber.

The Subscriber may at its discretion waive compliance of any or all of the above conditions, except for condition (b) and any other conditions which, and except where such conditions are mandatory pursuant to the laws and regulations applicable to the Company, the Listing Rules and the Takeovers Code; such as condition (a).

If the above conditions have not been fully fulfilled, satisfied or waived on or before the Long Stop Date, the Subscription Agreement shall be of no further effect and the parties thereto shall forthwith be released from performing or further performing their obligations under the Subscription Agreement, save in respect of any antecedent breach or any accrued right or remedies, which shall not be prejudiced or affected.

If all the conditions have been fulfilled, satisfied or, if applicable, waived on or before the Long Stop Date, completion of the Subscription Agreement shall take place on the Subscription Completion Date.

BOCI Asia Limited acted as an arranger in relation to the Jinchuan Subscription.

THE PLACING AGREEMENT

On 14 August 2010, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place through the Placing Agent on a best effort basis a maximum of 417,000,000 Placing Shares at a price of HK\$0.28 per Placing Share to the Placees.

Summarised below are the principal terms of the Placing Agreement:

Date

14 August 2010

Issuer

The Company

Placing Agent

Sun Hung Kai Investment Services Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), is appointed by the Company as its placing agent to procure the placing of the Placing Shares on a best effort basis.

The Placing Agent will charge a placing commission of 0.75% on the gross proceeds raised from the Placing. The Placing Agent is not a connected person of the Company and is independent of and not connected with the Company or any of its subsidiaries or any of their respective associates (as defined under the Listing Rules) and connected persons of the Company.

Placees

The Placing Agent will place the Placing Shares to not less than six Placees who are Independent Third Parties. No Placee will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.

Number of Placing Shares

Pursuant to the Placing Agreement, it is expected that 417,000,000 Placing Shares will be allotted and issued to the Placees.

Assuming all the Placing Shares have been successfully placed by the Placing Agent and issued by the Company, the Placing Shares represent:

- (a) approximately 64.7% of the existing issued share capital of the Company;
- (b) approximately 39.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and

- (c) approximately 15.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

Placing Price

The Placing Price of HK\$0.28 per Placing Share represents:

- (i) a discount of approximately 63.2% to the closing price of HK\$ 0.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 62.2% to the average closing price per Share of approximately HK\$0.74 in the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 57.6 % to the average closing price per Share of approximately HK\$0.66 in the last ten consecutive trading days immediately prior to and including the Last Trading Day; and
- (iv) a discount of approximately 50.0% to the average closing price of approximately HK\$0.56 per Share for the last 30 trading days up to and including the Last Trading Day.

The net aggregate proceeds from the Placing, after deduction of relevant expenses (including but not limited to placing commission, legal expenses and disbursements), is estimated to be approximately HK\$115 million. The net price per Placing Share is approximately HK\$0.276 after deduction of relevant expenses of the Placing.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the historical trading price of the Shares and the Subscription Price. The Directors consider that the Placing Agreement is entered into upon normal commercial terms and the terms (including, without limitation the Placing Price) are fair and reasonable and in the interests of the Company and Independent Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of issue of the Placing Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Placing Shares.

Specific Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the approval of Independent Shareholders at the EGM.

Conditions of the Placing

Completion of the Placing Agreement is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (b) the completion of the transactions contemplated under the Subscription Agreement, including without limitation the issuance and allotment of the Subscription Shares.

Completion of the Placing

Completion of the Placing shall take place as soon as reasonably practicable (in any event within two business days) after the fulfillment of all conditions listed in the Placing Agreement, or at such other date and time as may be agreed between the parties.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

According to the announcement of the Company dated 4 February 2010, the Company has raised net proceeds of approximately HK\$24.0 million by placing 97,000,000 new Shares. The Company has utilized all of the aforesaid net proceeds for the acquisition of 2.80% equity interest in PKV.

According to the announcement of the Company dated 28 June 2010, the Company has additionally issued an aggregate of 61,500,000 consideration Shares at HK\$0.28 per share to Nevin Investments Limited together with HK\$25.8 million cash financed internally (with the proceeds raised on the placing activities on 3 February 2010 above) acquired for approximately 2.8% equity interest in PKV.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 644,330,194 Shares in issue. The shareholding structure of the Company (a) as at the date of this announcement; and (b) after the completion of the Subscription Agreement; and (c) after the completion of both the Subscription Agreement and the Placing Agreement are as follows:

Shareholders of the Company	As at the date of the this announcement		Immediately after the issue of the Subscription Shares		Immediately after the issue of the Subscription Shares and the Placing Shares	
	Shares	% (approx.)	Shares	% (approx.)	Shares	% (approx.)
Wei Jijun (<i>Note 1</i>)	152,548,480	23.7%	152,548,480	6.6%	152,548,480	5.6%
Cheng Ho Ming (<i>Note 2</i>)	71,499,000	11.1%	71,499,000	3.1%	71,499,000	2.6%
Nevin Investments Ltd.	77,381,361	12.0%	77,381,361	3.4%	77,381,361	2.8%
The Subscriber and its concert parties (<i>Note 3</i>)	–	–	1,667,142,857	72.1%	1,667,142,857	61.1%
Placees for the Placing Shares	–	–	–	–	417,000,000	15.3%
Other public Shareholders	342,901,353	53.2%	342,901,353	14.8 %	342,901,353	12.6%
Total	644,330,194	100.00%	2,311,473,051	100.0%	2,728,473,051	100.00%

Notes:

- The Shares are held by Sincere Daily Limited which is wholly owned by Mr. Wei Jijun.
- The Shares are held by Ambleside Associates Limited which is wholly owned by Madam Cheng Ho Ming.
- The Shares are held by the Subscriber which is a company wholly owned by Jinchuan Group.

WHITEWASH WAIVER

Upon completion of the Subscription Agreement, the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them will in aggregate hold approximately 1,667,142,857 Shares, representing approximately 72.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber and parties acting in concert with it would incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those held or agreed to be acquired by the Subscriber and parties acting in concert with it. Upon completion of the Subscription Agreement and the Placing Agreement, the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them will in aggregate hold approximately 1,667,142,857 Shares, representing approximately 61.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

The Subscriber has confirmed in writing that other than the Subscription Agreement there are no (a) arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Subscriber or the Shares which might be material to the Subscription Agreement and/or the Whitewash Waiver; (b) agreements or arrangements to which the Subscriber is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription Agreement and/or the Whitewash Waiver.

The Subscriber will make an application to the Executive for the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Subscription and the Whitewash Waiver at the EGM by way of poll.

THE SUBSCRIBER'S DEALING AND INTEREST IN THE COMPANY'S SECURITIES

Based on the written confirmation of the Subscriber, save for entering into the Subscription Agreement, none of the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them has acquired or disposed of any voting rights and rights over shares, convertible securities, warrants or options or outstanding derivatives in the Company or received any irrevocable commitment to vote for or against the relevant resolutions including to approve the Subscription Agreement or Whitewash Waiver during the period commencing on the date falling six months prior to the date of this announcement up to the date of this announcement. As at the date of this announcement, the Subscriber and its ultimate beneficial owners and the concert parties with any of them are Independent Third Parties, and the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them do not hold, control or direct any voting rights and rights over shares, convertible securities, warrants, options or outstanding derivatives in the Company.

Based on the written confirmation of the Subscriber, other than the Subscription Agreement, the Subscriber and parties acting in concert with it have not entered into any contracts in relation to the outstanding derivatives in respect of any relevant securities in the Company nor borrowed or lent any relevant securities in the Company as defined under note 4 to Rule 22 of the Takeovers Code.

INFORMATION ON THE SUBSCRIBER

Based on the written confirmation of the Subscriber, the Subscriber is an investment holding company incorporated in Hong Kong. Its parent company, Jinchuan Group, founded in 1958, is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group is a large-scale non-ferrous mining conglomerate, specializing in mining, concentrating, metallurgy, chemical engineering and further processing. Boasting the world's third largest mine of nickel sulfides associated with cobalt sulfides, Jinchuan Group is the fourth largest nickel producer and second largest cobalt producer in the world, the largest producer of nickel and cobalt and platinum group metals in the PRC and the largest copper producer in Northern of China. The principal businesses of Jinchuan Group are the production

of nickel, copper, cobalt, platinum group metals, nonferrous metal plates, chemical products and chemicals of nonferrous metals.

Based on the written confirmation of the Subscriber, according to the PRC audited accounts of the Jinchuan Group, in 2008, Jinchuan Group posted revenue of approximately RMB55.1 billion, profit before tax of approximately RMB6.2 billion and net profit of approximately RMB4.2 billion. In 2009, its revenue was approximately RMB65.7 billion, profit before tax was approximately RMB3.2 billion and net profit was approximately RMB2.1 billion.

REASONS FOR THE SUBSCRIPTION AND THE PLACING AND USE OF PROCEEDS

The principal business of the Company is investment holding and the principal businesses of the Group are manufacturing and trading of cosmetic and related products, provision of beauty technical and training services and property development and investment.

In order to improve the overall financial performance of the Company, the Directors have continued to review its existing businesses and strive to improve the business operations and financial position of the Company by proactively seeking potential investment opportunities that could diversify its existing business portfolio and broaden its source of income, and enhance value to its Shareholders. To this end, the Directors have been exploring business opportunities in the mining and mineral resources sector and it has been the Company's intention for some time to diversify its business into this sector.

The Directors have considered that:

1. the financial performance of the Hong Kong listed companies in the mining and mineral resources sectors in general and the Jinchuan Group's business operation in mining and mineral resources sector as a whole which generally outperform the returns generated from the existing businesses of the Group;
2. the state-ownership background, industry expertise and experience, as well as the strong market position, of the Jinchuan Group in the mining and mineral resources sector;
3. the benefits including strategic value and management expertise in the mining and mineral resources sector that the Subscriber could bring to the Group in the future; and
4. consistent with the strategic intention of the Group, the Subscriber's intention to operate the Company as a flagship for undertaking overseas operations in the exploration and exploitation of mining assets and related trading following completion of the Subscription, for so long as the Group remains a subsidiary of the Subscriber.

The Directors are of the view that the Company will be able to capture and pursue better business opportunities in the mining and mineral resources sector upon completion of the Subscription and the Placing.

Furthermore, the Directors consider that the Subscription and the Placing will provide immediate funding, benefit the long-term development of the Company by broadening the equity base and also strengthen the financial position of the Company.

The maximum gross proceeds of the Subscription and the Placing are approximately HK\$584 million. The maximum net aggregate proceeds of the Subscription and Placing is approximately HK\$467 million and approximately HK\$117 million respectively, a substantial part of the entire amount will be used by the Group to seek future possible acquisitions and new business opportunities in the mining and mineral resources sector to improve the Group's long-term financial performance and prospects in the manner described above.

The view and recommendation of the independent financial adviser in respect of the Subscription and the terms thereof and the Whitewash Waiver will be set out in a circular to be issued by the Company to Shareholders as required by the Takeovers Code and the Listing Rules.

EGM

The EGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the Placing Agreement and the transactions contemplated thereunder; (iii) the Whitewash Waiver; and (iv) the granting of the Specific Mandate. The Subscriber, its ultimate beneficial owner and parties acting in concert with any of them do not hold any Shares or other securities in the Company and accordingly will not vote on any of the resolutions. Only Shareholders who do not have a material interest or who are not involved in or interested in the Subscription, the Placing and Whitewash Waiver will vote on the aforesaid resolutions.

VC Capital, the independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription and the Whitewash Waiver.

A circular containing, among other things, (i) further information on the Subscription Agreement and the Placing Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the recommendation and advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the Whitewash Waiver; and (iv) the notice of the EGM will be dispatched to the Shareholders and is expected to be dispatched on or before 13 September 2010 in accordance with the requirements of the Listing Rules and the Takeovers Code.

An application will be made by the Company for the listing of, and permission to deal in, the Subscription Shares and Placing Shares.

If the Whitewash Waiver is not obtained or any of the conditions precedent to the completion of the Subscription or to the completion of the Placing is not satisfied or (if applicable) waived, the Subscription and/or the Placing will lapse and will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or other securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 August 2010 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 24 August 2010.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Arranger in relation to the Jinchuan Subscription”	BOCI Asia Limited, the arranger in relation to the Jinchuan Subscription who introduces the Subscriber to the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	MACAU INVESTMENT HOLDINGS LIMITED (Stock code: 2362), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules, and “connected” shall be construed accordingly
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, (i) the Subscription Agreement; (ii) the Placing Agreement; (iii) the Whitewash Waiver; and (iv) the granting of the Specific Mandate

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee comprising Mr. Zhou Jin Song, Mr. Sun Tong and Mr. Yen Yuen Ho, Tony, all being the independent non-executive Directors and Mr. Guo Ru, being a non-executive Director, formed to consider the terms of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash waiver
“Independent Third Parties”	third party(ies) independent of the Company and its connected persons as defined under the Listing Rules;
“Independent Shareholders”	Shareholders other than (i) the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them and its associates; (ii) persons who are prohibited to vote in respect of the Subscription Agreement under the Listing Rules; and (iii) those who are involved in or interested in the Subscription and Whitewash Waiver
“Last Trading Day”	13 August 2010, being the Last Trading Day immediately prior to the date of the Subscription Agreement and the Placing Agreement
“Jinchuan Group”	Jinchuan Group Limited (金川集團有限公司), a company incorporated in the PRC and a state-owned enterprise held approximately as to 69.6% by the People’s Government of Gansu Province and approximately as to 30.4% by other person
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2010 (or such other date as may be agreed between the Company and the Subscriber)

“Placee(s)”	placee(s) of the Placing
“Placing”	the placing of the Placing Shares as contemplated under the Placing Agreement
“Placing Agent”	Sun Hung Kai Investment Services Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 14 August 2010 entered into between the Company and the Placing Agent
“Placing Closing Date”	the date of completion of the Placing which shall take place on the third (3rd) business day immediately after the conditions referred to in the sub-section headed “Conditions precedent to the Placing Agreement” in this announcement above have been fulfilled and/or waived or such later date as the Company and the Placing Agent may agree in writing
“Placing Shares”	up to 417,000,000 new Shares to be placed according to the Placing Agreement
“Placing Price”	the placing price of HK\$0.28 per Placing Share under the Placing Agreement
“PKV”	Sociedade De Investimento Imobiliário Pun Keng Van, S.A., a company established in Macau
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	person(s) registered in the books of the Company as the holder(s) of Share(s) for the time being

“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares and the Placing Shares to be granted to the Directors by the Shareholders at the EGM
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber”	Jinchuan Group (Hongkong) Resources Holdings Limited (金川集團(香港)資源控股有限公司), an investment holding company incorporated in Hong Kong and a wholly owned subsidiary of Jinchuan Group
“Subscription” or “Jinchuan Subscription”	the subscription for the Subscription Shares by the Subscriber as contemplated under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 August 2010 made between the Company and the Subscriber in connection with the Subscription
“Subscription Completion Date”	the day on which the completion of Subscription takes place, which shall be the fifth (5th) business day after the date on which the conditions precedent to the Subscription Agreement are fulfilled and/or waived or such other date as the parties may agree in writing
“Subscription Shares”	being such number of Shares equal to US\$60,000,000 (being the total consideration under the Subscription Agreement) divided by HK\$0.28 (being the Subscription Price per Share). Based on the prevailing exchange rate at as the date of the Subscription Agreement, 1,667,142,857 Shares will be subscribed by the Subscriber according to the Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.28 per Subscription Share under the Subscription Agreement
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Trading Day”	a day when the Stock Exchange is open for trading

“VC Capital”	VC Capital Limited, a corporation licensed under the SFO to conduct type 6 (advising on corporate finance) regulated activity as defined under the SFO, the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver
“Whitewash Waiver”	a waiver from the obligation of the Subscriber and its parties acting in concert with it to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code as a result of the Subscription
“HK\$” or “HK dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
MACAU INVESTMENT HOLDINGS LIMITED
Deng Wen
Chairman

Hong Kong, 24 August 2010

The conversion of U.S. dollar into Hong Kong dollar has been made at the rate of USD1 to HK\$7.78.

As at the date of this announcement, the Board consists of three executive Directors, namely Ms. Deng Wen, Ms. Maria Majoire Lo, and Ms. Cheung Hing Man, Charissa, non-executive Director Mr. Guo Rui, and three independent non-executive Directors, namely Mr. Zhou Jin Song, Mr. Sun Tong and Mr. Yen Yuen Ho, Tony.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *For identification purposes only*