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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Properties Investment Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED CAPITAL REORGANIZATION,
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of China Properties Investment Holdings Limited to be held at Room 2001, 20/F., Lippo Centre, Tower Two, 89 Queensway, Hong Kong at 10:30 a.m. on 8 October 2010 is set out on pages 9 and 10 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

15 September 2010

* *For identification purpose only*

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EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Capital Reorganization. The timetable is subject to the results of the SGM and other changes. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

Date of SGM 10:30 a.m. on Friday, 8 October 2010

Effective date for the Capital Reorganization Monday, 11 October 2010

First day for free exchange of existing
share certificates for new share certificates Monday, 11 October 2010

Original counter for trading in Shares in board lots of
10,000 Shares temporarily closes 9:30 a.m. Monday, 11 October 2010

Temporary counter for trading in Consolidated Shares in
board lots of 200 Consolidated Shares
(in the form of existing share certificates) opens. 9:30 a.m. Monday, 11 October 2010

Original counter for trading in Consolidated Shares in
new board lots of 1,000 Consolidated Shares
(in the form of new share certificates) re-opens 9:30 a.m. Monday, 25 October 2010

Parallel trading in Consolidated Shares in
the form of new share certificates and
existing share certificates commences 9:30 a.m. Monday, 25 October 2010

Designated broker starts to stand in
the market to provide matching services for
odd lots of Consolidated Shares Monday, 25 October 2010

Temporary counter for trading in Consolidated Shares in
board lots of 200 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m. Friday, 12 November 2010

Parallel trading in Consolidated Shares in
the form of new share certificates and
existing share certificates closes Friday, 12 November 2010

Designated broker ceases to stand in the market to
provide matching services for
odd lots of Consolidated Shares. Friday, 12 November 2010

Last day for free exchange of existing share
certificates for new share certificates Tuesday, 16 November 2010

DEFINITIONS

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

“2010 Convertible Bonds”	the convertible bonds with outstanding principal amount of HK\$27 million issued by the Company to Gold Trinity International Limited as set out in the Company’s circular dated 30 June 2009
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Share from HK\$0.05 to HK\$0.00002 by cancelling paid up capital to the extent of HK\$0.04998 on each issued Share
“Capital Reorganization”	the proposed capital reorganization of the Company comprising (i) the Capital Reduction, (ii) the Subdivision (iii) the reduction of the authorized share capital of the Company from HK\$300,000,000 to HK\$10,000,000; and (iv) Share Consolidation
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	China Properties Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consolidated Shares”	ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Capital Reorganization becoming effective
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 September 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Reduced Shares”	ordinary share(s) of HK\$0.00002 each in the share capital of the Company after the Capital Reduction and Subdivision but before Share Consolidation
“SGM”	the special general meeting of the Company to be held on 8 October 2010 at 10:30 a.m. at Room 2001, 20/F., Lippo Centre, Tower Two, 89 Queensway, Hong Kong
“Share Consolidation”	the proposed consolidation of every 50 Reduced Shares into one Consolidated Share
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to the resolution of the Company on 4 October 2002
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivision”	The proposed subdivision of each authorized but unissued Share into 2,500 Reduced Shares of HK\$0.00002 each
“HK\$”	the lawful currency for the time being of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xu Dong

Mr. Au Tat On

Non-executive Director:

Ms. Yu Wai Fong

Independent non-executive Directors:

Mr. Lam Man Yui

Mr. Lai Wai Yin, Wilson

Mr. Cao Jie Min

Registered office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Head office and principal place of
business in Hong Kong:*

Room 2001, 20/F.

Lippo Centre, Tower Two

89 Queensway

Hong Kong

15 September 2010

To the Shareholders,

Dear Sir/Madam,

**PROPOSED CAPITAL REORGANIZATION,
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The Company has announced on 9 September 2010 regarding the proposed Capital Reorganization and change in board lot size. The purpose of this circular is to provide you with information regarding the Capital Reorganization and change in board lot size and the notice of SGM for the purpose of considering and, if thought fit, approving the resolution relating to the Capital Reorganization.

* *For identification purpose only*

LETTER FROM THE BOARD

CAPITAL REORGANIZATION

The Directors proposed to reorganize the capital of the Company in the following manner:

1. reduction in the par value of each issued Share from HK\$0.05 to HK\$0.00002 by cancelling paid up capital to the extent of HK\$0.04998 on each issued Share;
2. subdivision of each authorized but unissued Share into 2,500 Reduced Shares of HK\$0.00002 each;
3. reduction of the authorised share capital of the Company from HK\$300,000,000 to HK\$10,000,000 by canceling 14,500,000,000 unissued Reduced Shares;
4. consolidation of the Reduced Shares on the basis that every 50 issued and unissued Reduced Shares of HK\$0.00002 each will be consolidated into one Consolidated Share of HK\$ 0.001 each.

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Effects of the Capital Reorganization

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 divided into 6,000,000,000 Shares of HK\$0.05 each, of which 2,183,789,499 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Capital Reorganization becoming effective, on the basis that the Company does not allot and issue any further Shares prior thereto, the authorised share capital of the Company shall become HK\$10,000,000 divided into 10,000,000,000 Consolidated Shares of HK\$0.001 each, of which 43,675,789 Consolidated Shares will be in issue.

On the assumption that no further Shares will be issued after the Latest Practicable Date, a credit of HK\$109,145,799 will arise as a result of the Capital Reduction. Such credit will be transferred to the contributed surplus account of the Company, which as at 31 March 2010 had a balance of approximately RMB18.7 million (equivalent to approximately HK\$21.1 million). The aggregate balance standing to the credit of the contributed surplus account after the Capital Reorganization will be applied to set off to the same extent the accumulated losses of the Company. As at 31 March 2010, the Company had accumulated losses of approximately RMB151.6 million (equivalent to approximately HK\$171.3 million).

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum and bye-laws. Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

LETTER FROM THE BOARD

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Capital Reorganization becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Conditions of the Capital Reorganization

The Capital Reorganization is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Capital Reorganization at the SGM;
- (ii) compliance with the relevant legal procedures and requirements under Bermuda laws to effect the Capital Reorganization; and
- (iii) the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares to be in issue.

Change of board lot size

The Board also proposes to change the board lot size for trading in the shares of the Company from 10,000 Shares to 1,000 Consolidated Shares after the Capital Reorganization becoming effective.

Reasons for the Capital Reorganization and change in board lot size

The Company is prohibited from issuing new shares at below their par value under the Company's bye-laws and the Companies Act 1981 of Bermuda. The reduced par value of the Consolidated Shares will give the Company greater flexibility in pricing any future issue of shares. It is expected that the Share Consolidation would bring about a corresponding increase in the trading price of the Consolidated Shares. It is also expected that the change in board lot size would increase the trading amount for each board lot. As a result, the Share Consolidation and change in board lot size would enable the Company to comply with the trading requirements under the Listing Rules. Accordingly, the Board is of the view that the Capital Reorganization and change in board lot size are in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company has appointed Cheong Lee Securities Limited, as an agent to provide matching service, on a best effort basis, for the sale and purchase of odd lots of Consolidated Shares arising from the Capital Reorganization. Shareholders who wish to take advantage of this facility should contact Mr Ali Lau of Cheong Lee Securities Limited at Room 1106, 11/F, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong at telephone number 3426 6324 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Please refer to the section headed "EXPECTED TIMETABLE" on page (ii) of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the Consolidated Shares.

Exchange of share certificates

The new share certificates will be in the colour of green in order to distinguish them from the existing share certificates which are yellow in colour. Subject to the Capital Reorganization becoming effective, which is expected to be on 11 October 2010, Shareholders may, on or after 11 October 2010 until 16 November 2010 (both days inclusive), submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of 5 existing Shares for one Consolidated Share). Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders. It is expected that new certificates for the Consolidated Shares will be available for collection within a period of 10 business days from the date of submission of the certificates for existing Shares to the Company's branch share registrar in Hong Kong for exchange. Certificates for existing Shares will cease to be marketable and will not be acceptable for trading and dealing purpose(s) after 16 November 2010.

Convertible Bonds and share options

As at the Latest Practicable Date, there are (i) outstanding principal amount of HK\$27 million under the 2012 Convertible Bonds and (ii) outstanding options granted under the Share Option Scheme to subscribe for 14,108,000 new Shares. The auditor of the Company and an independent merchant bank will be engaged by the Company in accordance with the terms of the Share Option Scheme and the 2012 Convertible Bonds instrument respectively to certify in writing as to the adjustments (if any) required to be made in respect of the outstanding options and outstanding 2012 Convertible Bonds as a result of the Capital Reorganization. The Company will make a further announcement about the adjustments in due course.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Expected timetable

The expected timetable for the implementation of the Capital Reorganization and change in board lot size was set out on page (ii) of this circular.

SGM

Notice of the SGM is set out on pages 9 and 10 of this circular. All resolutions to be proposed at the SGM will be voted on by poll.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are advised to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

No Shareholder has any material interest in the Capital Reorganization. Therefore no Shareholder is required to abstain from voting at the SGM in respect of the resolution to approve the same.

RECOMMENDATION

The Directors are of the opinion that the proposed Capital Reorganization are in the interest of the Company and the Shareholders as a whole and so recommend you to vote in favour of the resolutions to be proposed at the SGM.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 5:00 p.m. on Monday to Friday at the principal place of business of the Company in Hong Kong at Room 2001, 20/F., Lippo Centre, Tower Two, 89 Queensway, Hong Kong from 15 September 2010, the date of this circular up to and including 8 October 2010:

1. the memorandum of association and bye-laws of the Company;
2. the annual report of the Company for the year ended 31 March 2010;
3. the annual report of the Company for the year ended 31 March 2009;
4. the circular dated 30 June 2009 relating to a very substantial acquisition and connected transaction;
5. the circular dated 14 July 2009 relating to a major transaction for disposal of interests in real property.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully

By order of the Board

China Properties Investment Holdings Limited

Xu Dong

Chairman

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that a special general meeting of China Properties Investment Holdings Limited (“**Company**”) will be held at Room 2001, 20/F., Lippo Centre, Tower Two, 89 Queensway, Hong Kong on 8 October 2010 at 10:30 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. **“THAT** subject to compliance with the relevant legal procedures and requirements under Bermuda laws and the Listing Committee of The Hong Kong Stock Exchange Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the business day immediately following the day of passing of this resolution:
 - (a) the par value of each issued share of HK\$0.05 (“**Share**”) in the capital of the Company be reduced to HK\$0.00002 by cancelling paid-up capital to the extent of HK\$0.04998 on each issued Share (“**Capital Reduction**”);
 - (b) immediately following the Capital Reduction, each authorized but unissued Share in the capital of the Company be subdivided into 2,500 new shares of HK\$0.00002 each (“**Reduced Share**”) (“**Subdivision**”);
 - (c) immediately following the Capital Reduction and the Subdivision, the authorised share capital of the Company be reduced from HK\$300,000,000 to HK\$10,000,000 by cancelling 14,500,000,000 unissued Reduced Shares (“**Authorised Capital Cancellation**”);
 - (d) immediately following the Capital Reduction, Subdivision and Authorised Capital Cancellation, every fifty (50) issued and unissued Reduced Shares of HK\$0.00002 each in the share capital of the Company be consolidated into one (1) share of HK\$0.001 each (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company;

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

- (e) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company and applied by the directors (“**Directors**”) of the Company in accordance with the bye-laws of the Company and all applicable laws, including towards setting off the accumulated losses of the Company; and
- (f) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

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

Date: 15 September 2010

Registered office:
Clarendon House
Church Street
Hamilton HM11
Bermuda

*Head Office and principal
place of business:*
Room 2001, 20/F.
Lippo Centre, Tower Two
89 Queensway
Hong Kong

Notes:

- (1) Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.
- (2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (3) Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint Shareholders any one of such joint Shareholder may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.
- (5) The form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 24 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.