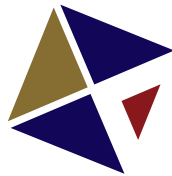

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Properties Investment Holdings Limited (the “**Company**”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker 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 SHARE CONSOLIDATION,
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF SGM**

Terms used in this cover page have the same meanings as defined in this circular.

A notice convening the SGM to be held at 9:00 a.m. on Monday, 12 September 2011 at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong is set out on pages 10 to 11 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

* *For identification purposes only*

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DEFINITIONS

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

“Acquisition”	the proposed acquisition of the oilfield in Nevada and the acquisition is at an advanced stage and an enquiry has been submitted to the Stock Exchange on 5 July 2011 to seek the guidance from the Stock Exchange on how the acquisition will be treated under the Listing Rules
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Properties Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Consolidated Shares”	consolidated ordinary share(s) of HK0.03 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds with outstanding principal amount of HK\$110,000,000 issued by the Company
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 August 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Placing”	the proposed placing of up to 1,028,000,000 new Shares as set out in the Company’s announcement dated 15 August 2011
“SGM”	the special general meeting of the Company to be held on 12 September 2011 for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every (30) thirty issued and unissued Shares into (1) one Consolidated Share
“Share Option Scheme”	the share option scheme adopted by the Company on 4 October 2002
“Shareholder(s)”	holder(s) of the Shares or the Consolidated Shares (where applicable)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation and change in board lot size. 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.

Event	Year 2011
Despatch of circular with notice of SGM	Friday, 26 August
Effective date of change in board lot size from 1,000 Shares to 3,000 Shares	Monday, 5 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares and the Consolidated Shares (if applicable)	Monday, 5 September
Latest time for lodging proxy form	9:00 a.m. on Saturday, 10 September
Date of SGM	9:00 a.m. on Monday, 12 September
Announcement on results of SGM	Monday, 12 September
Effective date for the Share Consolidation	Wednesday, 14 September
First day for free exchange of existing share certificates of the Shares for new share certificates of the Consolidated Shares	Wednesday, 14 September
Original counter for trading in Shares in board lots of 3,000 Shares temporarily closes	9:00 a.m. Wednesday, 14 September
Temporary counter for trading in Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. Wednesday, 14 September
Original counter for trading in Consolidated Shares in new board lots of 3,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. Wednesday, 28 September
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates commences	9:00 a.m. Wednesday, 28 September

EXPECTED TIMETABLE

Temporary counter for trading in
Consolidated Shares in board lots of 100
Consolidated Shares (in the form of
existing share certificates) closes 4:00 p.m. Wednesday, 19 October

Parallel trading in Consolidated Shares in
the form of new share certificates and
existing share certificates closes Wednesday, 19 October

Designated broker ceases to stand in
the market to provide matching services for
odd lots of the Shares and the
Consolidated Shares (if applicable). Wednesday, 19 October

Last day for free exchange of existing share certificates
of the Shares for new share certificates of the Consolidated Shares Friday, 21 October

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. Lai Wai Yin, Wilson

Ms. Cao Jie Min

Mr. Tse Kwong Wah

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Head Office and principal

place of business:

Room 2001, 20/F

Lippo Centre Tower Two

89 Queensway

Hong Kong

26 August 2011

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

INTRODUCTION

The Company has announced the proposed Share Consolidation and change in board lot size on 16 August 2011 and 17 August 2011. The purpose of this circular is to provide you with further information regarding the Share Consolidation, the change in board lot size and the notice of SGM for the purpose of considering and, if thought fit, approving the ordinary resolution relating to the proposed Share Consolidation.

* For identification purpose only

LETTER FROM THE BOARD

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Share Consolidation

The Directors proposed to implement the Share Consolidation on the basis that every (30) thirty issued and unissued Shares of HK\$0.001 each will be consolidated into (1) one Consolidated Share of HK\$0.03 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 Share Consolidation

As at the Latest Practicable Date, the authorized share capital of the Company is HK\$10,000,000 divided into 10,000,000,000 Shares of HK\$0.001 each, of which 5,140,309,888 Shares are in issue and fully paid. The Company announced on 15 August 2011 the proposed issue of up to 1,028,000,000 new Shares pursuant to the Placing. Assuming completion of the Placing, no other Shares will be issued by the Company for the time being and after the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$10,000,000 divided into approximately 333,333,333 Consolidated Shares of HK\$0.03 each, of which approximately 205,610,329 Consolidated Shares will be issued and fully paid.

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum of association and bye-laws. Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, 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.

Application for listing of the Consolidated Shares

An application will be made to the Stock Exchange for granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation and all necessary arrangements will be made for the Consolidated Shares to be admitted into the CCASS established and operated by HKSCC.

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.

LETTER FROM THE BOARD

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 Share Consolidation

The Share Consolidation will be completed upon fulfilling all the following conditions:

1. the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares as a result of the Share Consolidation.

Change in board lot size

The Board also proposes to change the board lot size for trading in the Shares from 1,000 Shares to 3,000 Shares with effect from 5 September 2011. No parallel trading of the Shares and exchange of certificates will be provided in respect of the change in board lot size.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. Recently, the price of the Shares has approached the extremities of HK\$0.01, the Company is in the process of the Placing and after considering the possibilities of any future equity fund raising activities for the Company to (i) finance the consideration for the Acquisition and the relevant required general working capital after the completion of the Acquisition (if materialize) or financing any other acquisition opportunities identified by the Company; and (ii) the possible redemption of the Convertible Bonds with outstanding principal amount of HK\$110,000,000, the Board is of the opinion that the Share Consolidation would bring about a corresponding increase in the trading price of the Consolidated Shares and in compliance with Rule 13.64 of the Listing Rules. It is also expected that the change in board lot size shall increase the trading amount of 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 of the Listing Rules. Accordingly, the Board is of the view that the Share Consolidation and change in board lot size are in the interest of the Company and the Shareholders as a whole.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots of the Shares or the Consolidated Shares (where applicable) arising from the change in board lot size of the Shares and the Share Consolidation, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Shares or the Consolidated Shares (where applicable) on a best effort basis.

LETTER FROM THE BOARD

Holders of the Shares or the Consolidated Shares (where applicable) in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or the Consolidated Shares (where applicable) or to top-up their odd lots to a full new board lot may directly or through their broker contact Mr. Ali Lau of Cheong Lee Securities Limited at Room 1106, 11/F, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong (Telephone number: (852) 3426 6324) during the aforesaid period. Holders of the Shares or the Consolidated Shares (where applicable) in odd lots should note that the matching of the sale and purchase of odd lots of the Shares or the Consolidated Shares (where applicable) is on a best effort basis and successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Please refer to the section headed “EXPECTED TIMETABLE” on pages 3 to 4 of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the Shares or the Consolidated Shares (where applicable).

OUTSTANDING CONVERTIBLE BONDS AND SHARE OPTIONS

As at the Latest Practicable Date, there are (i) outstanding principal amount of HK\$110,000,000 Convertible Bonds, and (ii) outstanding options granted under the Share Option Scheme to subscribe for 1,448,892 new Shares. The Directors will determine according to the rules of the Share Option Scheme the adjustments (if any) required to be made in respect of the outstanding options as a result of the Share Consolidation. The Company will also engage the auditor of the Company in accordance with the terms of the Convertible Bonds instruments to certify in writing as to the adjustments (if any) required to be made in respect of the outstanding Convertible Bonds as a result of the Share Consolidation. The Company will make a further announcement about the adjustments in due course.

Save for the above, 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.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective on 14 September 2011, Shareholders may submit the existing share certificates of the 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, between 14 September 2011 and 21 October 2011 (both days inclusive) during the business hours, to exchange, at the expense of the Company, for certificates of the Consolidated Shares. It is expected that the new certificates of the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the branch share registrar for exchange. Thereafter, the existing share certificates of the Shares will cease to be valid for delivery, trading and settlement purpose but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by Shareholders. The existing share certificates are in green colour and the new share certificates will be in pink colour.

LETTER FROM THE BOARD

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and change in board lot size was set out on pages 3 to 4 of this circular.

SGM

A notice convening the SGM to be held at 9:00 a.m. on Monday, 12 September 2011 at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong is set out on pages 10 to 11 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

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

RECOMMENDATION

The Directors are of the opinion that the proposed Share Consolidation is in the interest of the Company and the Shareholders as a whole and recommend you to vote in favour of the relevant resolution to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules on the Stock Exchange 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.

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

NOTICE OF SGM



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 (the “**SGM**”) of China Properties Investment Holdings Limited (the “**Company**”) will be held at 9:00 a.m. on Monday, 12 September 2011 at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company.

ORDINARY RESOLUTION

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue and to be issued, with effect from Wednesday, 14 September 2011, every (30) thirty existing issued and unissued ordinary shares of HK\$0.001 each in the share capital of the Company be consolidated into (1) one consolidated share of HK\$0.03 each (the “**Consolidated Share(s)**”), 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 and any one or more directors of the Company be and is/are hereby authorized for and on behalf of the Company to sign, execute, perfect, and/or deliver any document and 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 the aforesaid matters.”

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

Hong Kong, 26 August 2011

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

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

* *For identification purposes only*

NOTICE OF SGM

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 authorised 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 members 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 branch 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.