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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 AND CHANGE IN BOARD LOT SIZE

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. The Directors also proposed 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.

The Share Consolidation is subject to the Shareholders' approval at the SGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further information on the Share Consolidation and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

PROPOSED SHARE CONSOLIDATION

The Directors proposed to implement the Share Consolidation on the basis that every (30) thirty issued and unissued Shares will be consolidated into (1) one Consolidated Share of HK\$0.03 each, and a round down of the total number of Consolidated Shares in the issued share capital of the Company to a whole number. 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.

* For identification purpose only

Effects of the Share Consolidation

As at the date of this announcement, 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 and after the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$10,000,000 divided into 333,333,333 Consolidated Shares of HK\$0.03 each, of which 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 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 which may arise.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (1) the passing of the necessary resolutions by the Shareholders to approve the Share Consolidation at the SGM; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares to be in issue.

Listing application

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

CHANGE OF BOARD LOT SIZE

The Directors also proposed 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.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective on 9 September 2011, Shareholders may, from 14 September 2011 to 21 October 2011 (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, in exchange, at the expense of the Company, for new share certificates for Consolidated Shares with new nominal value of HK\$0.03. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots of the Shares or the Consolidated Shares (which is 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 (which is applicable) on a best effort basis for the period from 5 September 2011 to 19 October 2011 (both days inclusive).

Holders of the Shares or the Consolidated Shares (which is 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 (which is 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 (which is applicable) in odd lots should note that the matching of the sale and purchase of odd lots of the Shares or the Consolidated Shares (which is 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.

EXPECTED TIMETABLE

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

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 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 for new share certificates	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
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 for new share certificates Friday, 21 October

Outstanding Convertible Bonds and share options

As at the date of this announcement, 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 date of this announcement.

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 issued by the Company with outstanding principal amount of HK\$110 million, 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.

SGM AND CIRCULAR

The Share Consolidation is subject to the Shareholders' approval at the SGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further detail of the Share Consolidation and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below 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
“Board”	the board of Directors
“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\$0.03 each in the share capital of the Company after 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)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“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 convened for the purpose of considering, and if thought fit, approving the Share Consolidation
“Share(s)”	ordinary share(s) of HK\$0.001 each in the 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)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 August 2011

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Ms. Yu Wai Fong, and the independent non-executive Directors are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Mi and Mr. Tse Kwong Wah.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.