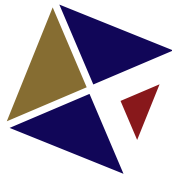


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**CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED**

**中國置業投資控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 736)

**MEMORANDUM OF UNDERSTANDING**

**IN RELATION TO A POSSIBLE ACQUISITION OF  
WORLD PETROLEUM INC.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 14 August 2009 (after trading hours), the Company (as the Purchaser) entered into the MOU with the Vendors in relation to a possible acquisition of the entire interest in World Petroleum Inc.. World Petroleum Inc. is in the process of completing an internal restructuring (the “**Restructuring**”). Upon completion of the Restructuring, World Petroleum Inc. shall directly or indirectly be the ultimate owner of 90% of the beneficial interest in MSSA, giving World Petroleum Inc. a 90% effective interest in the hydrocarbon productions under the E&P Contract. MSSA is a company incorporated under the laws of Venezuela and is the owner of the E&P Contract. The major asset of MSSA is the E&P Contract. The E&P Contract is an exploration and production contract no. 37 VMM-17 block, signed on 31 March 2009 between MSSA and the National Hydrocarbons Agency of Colombia.

To the best of the knowledge, information and belief of the directors of the Company, and having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

Pursuant to the MOU, the consideration of the Possible Acquisition will be determined based on a relevant valuation report to be issued by an independent valuer being engaged by the Company. The consideration of the Possible Acquisition shall be satisfied by a combination of cash, consideration shares and/or convertible notes/bonds carrying the rights to convert into new Shares.

The parties to the MOU also agreed that the issue price of the consideration shares (as the case may be) and the conversion price of the convertible notes/bonds (as the case may be) shall both be fixed at HK\$0.12 (the “**Price**”). Having taken into account (i) the latest published net asset value per Share of approximately HK\$0.076 as at 31 March 2009; (ii) the reset price of HK\$0.121 of the convertible bonds of the Company as set out in the Company’s announcement dated 3 August 2009; and (iii) the 90-days average price of the Shares of approximately HK\$0.120 prior to the date of the MOU, the Board is of the view that the issue price and conversion price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Purchaser will conduct preliminary due diligence review in relation to the Possible Acquisition. In addition, subject to the performance of the preliminary due diligence review to the satisfaction of the Purchaser at its own discretion, the Purchaser shall pay US\$15 million to the Vendors as refundable deposits (the “**Deposits**”) on or before 15 September 2009 (or such later date as mutually agreed by the Purchaser and the Vendors). The Vendors shall charge the entire share capital of World Petroleum Inc. to the Purchaser upon payment of the Deposits. The Company shall comply with the relevant disclosure requirement under the Listing Rules regarding the Possible Acquisition and the payment of the Deposits at all times.

The MOU shall remain in effect for a term of three months from the date of the MOU (the “**Term**”) or such longer period as may be agreed. The Vendors also agreed that, inter alia, they or their respective affiliates shall not, for the three-month period (the “**Exclusivity Period**”) commencing on the date upon signing of the MOU, enter into any negotiation, arrangement or agreement (whether subject to conditions or otherwise) similar or relating to the Possible Acquisition with any other party (the “**Exclusivity**”), and the Purchaser shall have the right to extend the Exclusivity Period for a further three months by notifying the Vendors in writing no later than two days prior to the expiration of the Exclusivity Period.

Save for the Price, the Deposits, the Exclusivity, the Term and the term on non-disclosure as contained therein, the MOU is not legally binding or enforceable.

**The Board wishes to emphasise that the Possible Acquisition is subject to, among other things, the signing of a formal agreement for the sale and purchase of World Petroleum Inc., the terms and conditions of which are yet to be agreed. As the Possible Acquisition may or may not proceed, investors and Shareholders are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Acquisition will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.**

## **INFORMATION ON THE VMM-17**

According to the information available to the Company as provided by the Vendors, VMM-17 is located at around 100 kilometers to the northwest of Bogota, the capital of Colombia with geographical coordinates of latitude 5°01’20, 50657” to the north of Equator and longitude 74°53’06, 90742” west of Greenwich.

The total area within VMM-17 described below is confirmed by the relevant experts, which is thirty-nine thousand nine hundred twenty-seven (39,927) acres with two thousand nineteen (2,019) square meters. The cartographic information was taken from the political map of Colombia, I.G.A.C, digital archive, scale 1:1'500.000.

X	Y
915003.010	1042999.475
915002.993	1069999.170
920002.819	1069999.174
920002.817	1072392.846
929003.996	1072336.452
929002.503	1070999.168
929002.518	1042999.484
915003.010	1042999.475

*Note: Shareholders should be reminded that all information on VMM-17 is provided by the Vendors and subject to further due diligence review by the Purchaser.*

## DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors
“Company” or “Purchaser”	China Properties Investment Holdings Limited (中國置業投資控股有限公司*), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“E&P Contract”	an exploration and production contract no. 37 VMM-17 block signed on 31 March 2009 between MSSA and the National Hydrocarbons Agency of Colombia
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding setting out the basic terms and conditions under which negotiations on the proposed acquisition by the Purchaser of the entire interest in World Petroleum Inc., a company which will in turn be indirectly interested in 90% of Class A shares of MSSA, are carried out
“MSSA”	Morichal Sinoco S.A. (formerly known as Morichal Petroleo Y Gas C.A.), a company incorporated under the laws of Venezuela
“Possible Acquisition”	the possible acquisition of the entire interest in World Petroleum Inc. by the Purchaser from the Vendors
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	the vendors of the MOU
“VMM-17”	VMM-17 block located in Colombia
“World Petroleum Inc.”	Prime Season Holdings Limited, a company incorporated under the laws of the British Virgin Islands (to be renamed as World Petroleum Inc.)
“US\$”	dollar(s), the lawful currency of United States of America
“%”	per cent.

By order of the Board  
**China Properties Investment Holdings Limited**  
**Au Tat On**  
*Executive Director*

Hong Kong, 18 August 2009

*As at the date of this announcement, the executive Directors are Ms. Yu Wai Fong and Mr. Au Tat On, and the independent non-executive Directors are Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min.*

*This announcement will remain on the “Latest Company Announcements” page of the website of the Stock Exchange and the website of the Company for at least 7 days from the date of its posting.*

*\* For identification purpose only*