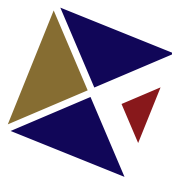

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

**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)****PLACING OF CONVERTIBLE BONDS
AMENDMENT OF THE TERMS OF THE CONVERTIBLE BONDS**

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 18 August 2010 is set out on pages 13 and 14 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.

23 July 2010

* *For identification purpose only*

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DEFINITIONS

In this Circular, the following terms shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Business Day(s)”	a day (excluding Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong throughout their regular business hours
“Circular”	this circular containing, among other things, details of the Letter of Confirmation and the Proposed Amendments, together with the notice of the Special General Meeting at which resolution(s) will be proposed to consider and, if thought fit, approve the Letter of Confirmation and the Proposed Amendments and the transactions contemplated thereunder
“Company”	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
“Conversion Price”	the conversion price of the Convertible Bonds
“Conversion Share(s)”	new Shares to be allotted and issued by the Company upon exercise of the conversion rights attached to all the Convertible Bonds in full at the Conversion Price to be issued by the Company to the Placees pursuant to the Placing Agreement (as extended and amended by the Letter of Confirmation)
“Convertible Bonds”	the 2-year zero coupon convertible redeemable bonds in the maximum principal amount of HK\$600,000,000 agreed to be issued by the Company to the Placees pursuant to the Placing Agreement
“Director(s)”	the director(s) of the Company

* *For identification purpose only*

DEFINITIONS

“Fulfillment Date”	the date of fulfilment of the conditions precedent of the Placing Agreement (as extended and amended by the Letter of Confirmation)
“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
“Latest Practicable Date”	22 July 2010, being the latest practicable date prior to the printing of this Circular for ascertaining certain information herein
“Letter of Confirmation”	the letter of confirmation dated 19 June 2010 signed by the Company and the Placing Agent, extending the Placing Agreement and amending the terms thereof
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the placees of the Convertible Bonds to be procured by the Placing Agent for and on behalf of the Company, which shall be Independent Third Parties
“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	the conditional placing agreement dated 15 August 2009 entered into between the Company and the Placing Agent in relation to the placing of the Convertible Bonds by the Placing Agent for and on behalf of the Company
“Possible Acquisition”	the possible acquisition of Pure Power Holdings Limited by the Company as disclosed in the Company’s announcement dated 21 June 2010
“Proposed Amendments”	the proposed amendments of the terms of the Placing Agreement as contained in the Letter of Confirmation, including the extension of the Fulfillment Date and the amendment of the Conversion Price, as described in page 5 of this Circular

DEFINITIONS

“PRC”	the People’s Republic of China
“2009 SGM”	the special general meeting of the Company held on 21 September 2009, approving the Placing Agreement and the transaction contemplated thereunder, including the placing of the Convertible Bonds and the issue of the Conversion Shares
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Special General Meeting”	a special general meeting of the Company to be held on 18 August 2010, to consider and, if thought fit, approve the Letter of Confirmation the transaction contemplated thereunder, including the placing of the Convertible Bonds and the issue of the Conversion Shares pursuant to the Placing Agreement as extended and amended by the Letter of Confirmation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“World Petroleum Inc.”	World Petroleum Inc., a company incorporated under the laws of the British Virgin Islands
“WPI Acquisition”	the possible acquisition of WPI by the company, which as disclosed in the Company’s announcement dated 18 August 2009
“%”	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:

Ms. Yu Wai Fong
Mr. Xu Dong
Mr. Au Tat On

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

23 July 2010

To the Shareholders,

Dear Sir or Madam,

AMENDMENT OF TERMS OF THE CONVERTIBLE BONDS

INTRODUCTION

On 21 September 2009, at the 2009 SGM, the Shareholders passed a resolution approving the Placing Agreement and the transactions contemplated thereunder (including the placing of the Convertible Bonds and the issue of the Conversion Shares). Further details of the placing of the Convertible Bonds have been set out in the circular of the Company dated 3 September 2009 (the “**2009 Circular**”).

As disclosed in the announcement dated 21 June 2010, on 19 June 2010, the Placing Agent and the Company signed the Letter of Confirmation to amend certain terms of the Placing Agreement.

* *For identification purpose only*

LETTER FROM THE BOARD

On 22 June 2010, the Company further announced that the Board proposes to change the intended use of the proceeds from the placing of the Convertible Bonds (the “**Change of Use of Proceeds**”).

The purpose of this Circular is to provide you with, among other things, further details of the Letter of Confirmation and the Proposed Amendments, together with the notice of the Special General Meeting at which resolution(s) will be proposed to consider and, if thought fit, approve the Letter of Confirmation and the Proposed Amendments and the transactions contemplated thereunder (if any).

The Letter of Confirmation dated 19 June 2010

Date

19 June 2010

Parties

- (i) The Company; and
- (ii) The Placing Agent

The Proposed Amendments

- (i) subject to Shareholders’ approval in Special General Meeting, the date of fulfillment of the conditions precedent under the Placing Agreement, will be further extended to 20 December 2010; and
- (ii) subject to the Shareholders’ approval in the Special General Meeting, the Conversion Price shall be amended to the average closing price of the Shares for the 5 trading days immediately following the date of the despatch of the Circular or the par value of the Shares, whichever is higher.

The Letter of Confirmation provided that save and except as varied and/or modified as aforesaid, all the other terms, agreements, provisions and conditions contained in the Placing Agreement shall remain in full force and effect and where applicable, be binding on the parties thereto.

Extension of the Fulfillment Date of the conditions precedent

As stated in the Placing Agreement, the Fulfillment Date of the conditions precedent was 20 March 2010, being 180 days after the date of the 2009 SGM (or such other time and date as the Placing Agent and the Company shall agree in writing). On 10 March 2010, the Placing Agent and the Company mutually agreed in writing that the Fulfillment Date be extended to 20 June 2010. On 19 June 2010, by entering into of the Letter of Confirmation, the Placing Agent and the Company agreed in writing that, subject to Shareholders’ approval in a Special General Meeting, the Fulfillment Date will be further extended to 20 December 2010.

LETTER FROM THE BOARD

Change of Conversion Price

As stated in the Placing Agreement, the Conversion Price was set to be HK\$0.118 per Conversion Share, subject to adjustments for, subdivision or consolidation of shares, rights issues and other dilutive events which may have adverse effects on the rights of the Bondholders.

By the Letter of Confirmation, the Company and the Placing Agent agreed in writing that, subject to approval by the Shareholders in the Special General Meeting, the Conversion Price shall be amended to the average closing price of the Shares for the 5 trading days immediately following the date of despatch of the Circular or the par value of the Shares, whichever is higher.

The Company will issue an announcement to notify the Shareholders regarding the new Conversion Price immediately after the new Conversion Price is determined (i.e. after 5 trading days following the publication of the Circular) (the “**Conversion Price Announcement**”).

Status of the placing of the Convertible Bonds

As disclosed in the Company’s announcement dated 10 February 2010 and 10 March 2010, the placing of eight tranches of the Convertible Bonds has been completed in an aggregate principal amount of HK\$84,960,000. As at the Latest Practicable Date, a total of 720,000,000 Conversion Shares has been allotted and issued upon exercise of the conversion rights attached to the eight tranches of Convertible Bonds in full based on the Conversion Price of HK\$0.118 per Conversion Share. The net proceeds from the placing of the said eight tranches of the Convertible Bonds (after deducting related expenses incurred in connection with the placing of the Convertible Bonds) amounted to approximately HK\$82.80 million. As at the Latest Practicable Date, after completion of the placement of the said eight tranches of the Convertible Bonds in February and March 2010, up to maximum aggregate principal amount of HK\$515,040,000 of Convertible Bonds have not yet been placed.

Shareholders’ approval

The Letter of Confirmation and the Proposed Amendments will be ratified by resolution(s) to be approved by the Shareholders at Special General Meeting.

Listing and permission to deal with the Conversion Shares

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the additional Conversion Shares under the new Conversion Price (if any). The Convertible Bonds will not be listed on any stock exchange.

Further details regarding the number of Convertible Shares under the new Conversion Price, the effects on shareholding structure of the Company will be set out in the Conversion Price Announcement.

LETTER FROM THE BOARD

Change of Use of Proceeds

As disclosed in the 2009 Circular, the net proceeds from the placing of the Convertible Bonds are estimated to be of approximately HK\$584.5 million, and the Company intended to use the funds raised from the placing of the Convertible Bonds (i) entirely/in majority for financing the WPI Acquisition, including the possible deposits of approximately US\$15 million and/or cash consideration and the related professional fees (such as the fees to be paid to the technical expert, valuer, legal advisers (both local and international) and financial advisers); and (ii) the remaining for general working capital of the Group (if any).

As World Petroleum Inc. is currently undergoing internal restructuring, the WPI Acquisition has been put on hold pending completion of the said restructuring. Furthermore, the memorandum of understanding made between the Company and the vendors of World Petroleum Inc. for the WPI Acquisition has expired on 14 May 2010. Accordingly, the Board would like to change the intended use of the proceeds from the placing of the Convertible Bonds (pursuant to the Placing Agreement as extended and amended by the Letter of Confirmation).

Assuming the Convertible Bonds to be successfully placed, the net proceeds from the Convertible Bonds are estimated to be of approximately HK\$584.5 million. As at the Latest Practicable Date, the Company used approximately HK\$9.9 million from the net proceeds of the placement of eight tranches of the Convertible Bonds (i.e. approximately HK\$82.80 million) for the related professional fees and general working capital of the Group, therefore the remaining net proceeds from the placing of the Convertible Bonds amounted to approximately HK\$574.6 million in the event that the remaining Convertible Bonds can be successfully placed.

Assuming the Convertible Bonds to be successfully placed, the net proceeds from the Convertible Bonds will be principally used for the Possible Acquisition and the relevant expenses, including but not limited to the followings:

- i) about 60% to finance the Possible Acquisition, the exact amount of which is subject to the progress of the placing of the Convertible Bonds and arm's length negotiations between the parties to the memorandum of understanding regarding the Possible Acquisition;
- ii) about 5% for the related professional fees (such as the fees to be paid to the technical expert, valuer, legal advisers (both local and international) and financial advisers;
- iii) about 15%, subject to completion of the Possible Acquisition, for the development of the oilfield, including but not limited to construct and develop the infrastructure, production facilities, employee housing etc.;
- iv) about 10%, subject to completion of the Possible Acquisition, for the relevant technical and engineering assessment; and
- v) about 10% as general working capital of the Group.

LETTER FROM THE BOARD

Shareholders should be reminded that the aforementioned are tentative figures only, which is subject to further in-depth due diligence to be conducted by the Company in relation to the Possible Acquisition to ascertain the actual figures required. In the event that the Possible Acquisition is not materialized, the above proceeds will be applied for general corporate purposes, which may include provision of working capital and general development and acquisition activities of the Group.

Placee(s)

As stated in the 2009 Circular, the Convertible Bonds will be placed to not less than six Placees, who are expected to be individuals, corporate, institutional investors or other investors procured by the Placing Agent. Further announcement will be made by the Company if the Placing Agent fails to identify at least six Placees. The Placees to be procured by the Placing Agent for and on behalf of the Company, which shall be Independent Third Parties

Fund raising activities of the Company during the past 12 months

The following table summaries the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
19 August 2009	Placing of convertible bonds	Approximately HK\$82.80 million as at the Latest Practicable Date	Financing the possible acquisition announced by the Company on 18 August 2009 and general working capital of the Group	Used approximately HK\$9.9 million for the related professional fees and general working capital of the Group
26 March 2010	Top-up Subscription of new shares	Approximately HK\$48.5 million	For the possible acquisition set out in the Company's announcement dated 24 March 2010 and for general working capital	Used HK\$48.5 million as the refundable deposit for the possible acquisition set out in the Company's announcement dated 24 March 2010

LETTER FROM THE BOARD

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
27 May 2010	Top-up Subscription of new shares	Approximately HK\$26.6 million	For the possible acquisition set out in the Company's announcement dated 24 March 2010 and for general working capital	Used approximately HK\$2.8 million for the related professional fees and general working capital of the Group
14 June 2010	Top-up Subscription of new shares	Approximately HK\$18.8 million	For the possible acquisition as set out in the Company's announcement date 24 March 2010 and for general working capital	Not yet utilised

Shareholding structure of the Company as at the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>%</i>
Yu Wai Fong	102,526,071	7.17
Gold Trinity International Limited (<i>note</i>)	220,000,314	15.38
Public Shareholders:		
– other Public Shareholders	1,108,055,567	77.45
Total	1,430,581,952	100.00

Note: Gold Trinity International Limited is wholly-owned by Mr. Han Wei (韓衛), a director of a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, Gold Trinity International Limited is the holder of the convertible bonds issued by the Company on 27 July 2009 in an outstanding principal amount of HK\$39 million at the conversion price of HK\$0.165 per conversion share.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has outstanding convertible bonds, and options which are convertible into or which confer rights to require the issue of Shares as follows:

Outstanding convertible bonds, and options which are convertible into or which confer rights to require the issue of Shares	Number of Shares that fall to be issued upon conversion or exercise of option right
Convertible bonds issued by the Company on 27 July 2009 in an outstanding principal amount of HK\$39 million at the conversion price of HK\$0.165 per conversion share. Details were set out in the circular of the Company dated 30 June 2009.	236,363,636
Options, of exercise price HK\$3.0 each, for the exercise period beginning on 28 November 2007 and ending on 3 October 2012, granted by the Company to its directors/employees pursuant to share option scheme	14,108,000

Special General Meeting

A notice convening the Special General Meeting to be held at Room 2001, 20/F, Lippo Centre, Tower Two, 89 Queensway, Hong Kong on 18 August 2010 at 10:30 a.m. or any adjournment is set out from pages 13 to 14 of this Circular.

A form of proxy for use at the Special General Meeting is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the Special General Meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Special General Meeting should you so wish.

As far as the Directors are aware of, no Director or Shareholder has a material interest in the placing of the Convertible Bonds and no Shareholder is required to abstain from voting at the Special General Meeting.

LETTER FROM THE BOARD

The resolution(s) proposed to be approved at the Special General Meeting will be taken by way of poll and an announcement will be made by the Company immediately after the Special General Meeting regarding the results of the Special General Meeting.

As the Letter of Confirmation is subject to approval by the Shareholders in the Special General Meeting, the placing of the Convertible Bonds pursuant to the terms of the Placing Agreement as extended and amended by the Letter of Confirmation may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Board considers that the terms of the Letter of Confirmation and the Placing Agreement as extended and amended by the Letter of Confirmation are fair and reasonable and the Proposed Amendments are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution(s) as set out in the notice of Special General Meeting.

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

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 Group. 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.

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 the special general meeting of China Properties Investment Holdings Limited (the “**Company**”) will be held at Room 2001, 20/F., Lippo Centre, Tower Two, 89 Queensway, Hong Kong on 18 August 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution(s) of the Company:

ORDINARY RESOLUTION

“**THAT**

1. (a) the Letter of Confirmation (as defined in the circular dated 23 July 2010 despatched to the shareholders of the Company (the “**Circular**”)), a copy of which has been produced to the special general meeting marked “A” and signed by the chairman of the special general meeting for the purpose of identification, dated 19 June 2010 and entered into between the Company and the Placing Agent (as defined in the Circular) pursuant to which the Company and the Placing Agent agreed to the Proposed Amendments (as defined in the Circular), and all the transactions contemplated thereunder, be and is hereby approved, ratified and confirmed;
- (b) the issue of the Convertible Bonds by the Company in accordance with (i) the terms and conditions of the Placing Agreement (as defined in the Circular) as extended and amended by the Letter of Confirmation (as defined in the Circular) and (ii) the terms and conditions of the Convertible Bonds attached to the Placing Agreement as extended and amended by the Letter of Confirmation (as defined in the Circular), and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (c) the issue and allotment of the new ordinary shares of the Company at a Conversion Price (subject to adjustment) announced in the Conversion Price Announcement (as defined in the Circular) which may fall to be issued upon the exercise of the conversion rights attached to the Convertible Bonds be and are hereby approved, ratified and confirmed; and

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

- (d) the directors of the Company be and is/are hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be in their discretion consider necessary desirable or expedient to carry and implement the Letter of Confirmation, and the Placing Agreement as extended and amended by the Letter of Confirmation and all the transactions contemplated thereunder into full effect.”

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

Hong Kong, 23 July 2010

Head office and principal place of business in Hong Kong:

Room 2001, 20/F.

Lippo Centre, Tower Two

89 Queensway

Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies (if the member is a holder of two or more shares) to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.