

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA INNOVATION INVESTMENT LIMITED

中國創新投資有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

PROGRESS ON AGREEMENT IN PRINCIPLE IN RESPECT OF INVESTMENT IN UNMANNED AIRCRAFT PROJECT IN THE PRC

Reference is made to the announcement of the Company dated 5 November 2007 regarding the Agreement In Principle in respect of investment in unmanned aircraft project in the PRC.

On 5 November 2007, the Company entered into the Agreement In Principle with Beijing Heifeng Aviation, pursuant to which the Company will invest in Beijing Heifeng Aviation subject to the fulfillment of certain conditions as stated in the Announcement.

As at the date of this announcement, certain conditions under the Agreement In Principle within a period of six months have not been fulfilled and completed. The Board announces that the Company is working to explore different means of cooperation other than acquisition with the shareholder(s) of Beijing Heifeng Aviation. A further announcement will be made by the Company when there is further development.

The Directors wish to reiterate that the subject transaction may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 5 November 2007 (the “**Announcement**”) regarding the Agreement In Principle in respect of investment in unmanned aircraft project in the PRC. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated herein.

On 5 November 2007, the Company entered into the Agreement In Principle with Beijing Heifeng Aviation, pursuant to which the Company will invest in Beijing Heifeng Aviation subject to the fulfillment of certain conditions as stated in the Announcement.

As at the date of this announcement, certain conditions under the Agreement In Principle within a period of six months have not been fulfilled and completed. The Board announces that the Company is working to explore different means of cooperation other than acquisition with the shareholder(s) of Beijing Heifeng Aviation.

Further announcement(s) will be made by the Company in respect of any material development on the possible transaction and actions which will be taken to comply with the disclosure and/or approval requirements under the Listing Rules.

The Directors wish to reiterate that the subject transaction may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Innovation Investment Limited
Xiang Xin
Executive director and Chief Executive Officer

Hong Kong, 7 May 2008

As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; the non-executive Directors are Mr. Wang Qing Yu (Chairman) and Mr. Ng Kwong Chue Paul; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.