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If you are in any doubt about 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 and/or transferred all your shares in China Innovation Investment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**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)**

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES;  
PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Innovation Investment Limited ("the Company") to be held at 26/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 3:00 p.m. ("Annual General Meeting") is set out on pages 12 to 16 of this circular. The procedure to demand a poll on the resolutions proposed at the Annual General Meeting is set out in Appendix III to this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or at any adjourned meeting thereof (as the case may be) should you so desire.

2 June 2009

## DEFINITIONS

*In this circular, the following expressions have the following meaning unless the context requires otherwise,*

“Acquisition Agreement”	the sale and purchase agreement dated 8 May 2009 entered into between the Company and Guard Max Limited in relation to the acquisition of 600 shares in the issued share capital of Join Oriental Holdings Limited, representing 60% (with voting rights withdrawn) issued share capital of Join Oriental Holdings Limited for an aggregate consideration of HK\$40 million to be satisfied by the issue of 800,000,000 consideration shares at an issue price of HK\$0.05 by the Company
“AGM”	the annual general meeting of the Company to be held at 26/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 3:00 p.m., a notice of which is set out in Appendix III to this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	CHINA INNOVATION INVESTMENT LIMITED 中國創新投資有限公司, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Company Law”	the Companies Law of the Cayman Islands for the time being in force
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	1 June 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange

## DEFINITIONS

“Options”	options to be granted by the Company to subscribe for Shares in accordance with the Share Option Scheme
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administration Region of the People’s Republic of China and Taiwan
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 18 July 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Xiang Xin  
Mr. Chan Cheong Yee  
Mr. Wong Chak Keung

*Non-executive Directors:*

Mr. Wang Qing Yu (*Chairman*)  
Mr. Ng Kwong Chue, Paul

*Independent non-executive Directors:*

Mr. David Wang Xin  
Mr. Zang Hong Liang  
Mr. Lee Wing Hang

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business:*

26/F  
No.9 Des Voeux Road West  
Sheung Wan  
Hong Kong

2 June 2009

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES;  
PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the proposed general mandates to repurchase and issue Shares, the extension of the general mandate to issue Shares and (ii) the proposed re-election of Directors, and (iii) the proposed refreshment of Scheme Mandate Limit.

**GENERAL MANDATE TO REPURCHASE SHARES**

At the last annual general meeting of the Company held on 30 May 2008, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. At

## LETTER FROM THE BOARD

the AGM, the Board will propose an ordinary resolution to grant a general and unconditional mandate to the Directors to exercise all powers of and on behalf of the Company to purchase securities with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution (the "Repurchase Mandate"). In accordance with the Listing Rules, an explanatory statement as set out in Appendix I to this circular is required to provide you with the requisite information reasonably necessary to enable you to make an informed decision on the resolution to be proposed.

### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 30 May 2008, the Shareholders approved, among other things, an ordinary resolution to grant the general mandate to allot and issue up to 1,033,747,150 Shares (the "General Mandate"). As detailed in the Company's announcement dated 8 May 2009 regarding the issue of Shares under General Mandate, subject to the conditions precedent of the Acquisition Agreement, the General Mandate had been utilized as to the issue of 800,000,000 Shares under the Acquisition Agreement dated 8 May 2009.

The unutilized General Mandate will lapse at the conclusion of the forthcoming AGM. At the AGM, the Directors will propose ordinary resolutions to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares with an aggregate nominal amount not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution and the aggregate nominal amount of the securities of the Company purchased by the Company pursuant to the authority granted to the Directors referred to in the Repurchase Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 5,170,865,753 Shares in issue, assuming that no further Shares are repurchased or issued from the Latest Practicable Date up to the date of AGM, it is expected that the refreshment of the general mandate will result in the Directors being authorised to allot and issue up to 1,034,173,150 new Shares.

### RE-ELECTION OF DIRECTORS

In accordance with Article 99(1) of the Articles of Association of the Company, Mr. Zang Hong Liang, Mr. Chan Cheong Yee and Mr. Wang Qing Yu shall retire and, being eligible, shall offer themselves for re-election at the forthcoming AGM of the Company.

Details of the above Directors who are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 18 July 2002. Pursuant to the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme of the Company must not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share Option Scheme.

At the extraordinary general meeting of the Company held on 17 December 2007, the Scheme Mandate Limit was refreshed and the Company was allowed to grant Options up to 413,812,342 Shares (representing 10% of the Shares in issue as at the said extraordinary general meeting), of which 150,000,000 Options have been granted in January 2008. As at the Latest Practicable Date, the Company had a total of 432,317,183 Options outstanding, representing approximately 8.36% of the issued Shares of the Company. The Directors have proposed to refresh the Scheme Mandate Limit so as to enable the Company to grant further Options to eligible participants to provide opportunities and incentives for them to work towards enhancing the values of the Company and the Shares.

As at the Latest Practicable Date, the Company had an aggregate of 5,170,865,753 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM, it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit of the Share Option Scheme at the AGM, the Directors will be authorised to grant Options to subscribe up to 517,086,575 Shares, representing 10% of the number of Shares in issue as at the Latest Practicable Date.

The Options previously granted under the Share Option Scheme (including but not limited to those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed. The Directors consider that such refreshment of the Scheme Mandate Limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

No outstanding Options of the Company will be lapsed as a result of the refreshment of the Scheme Mandate Limit of the Share Option Scheme and the aggregate number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme at any time should not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

Save for the Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date.

## LETTER FROM THE BOARD

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Board considers that the general mandates to repurchase and issue Shares, the extension of the general mandate to issue Shares, the re-election of Directors and the refreshment of Scheme Mandate Limit are in the best interests of the Company and its Shareholders. Accordingly, the Board recommends all the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
By order of the Board  
**Xiang Xin**  
*Executive Director and  
Chief Executive Officer*

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

### **1. REASON FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase shares of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 5,170,865,753 Shares in issue and there were outstanding share options granted under the share option scheme of the Company entitling holders thereof to subscribe for an aggregate of 432,317,180 Shares.

Subject to the passing of the relevant resolution approving the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 517,086,575 Shares.

### **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The Companies Law of the Cayman Islands provides that the amount of capital repaid in connection with a share repurchase must have been provided for out of the profits of the Company and/or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase to such an extent allowable under the Companies Law of the Cayman Islands.

An exercise of the Repurchase Mandate in full at any time during the proposed purchase period would have a material adverse impact on the working capital but not on the gearing position of the Company as compared with the position disclosed in its most recent published audited financial statements in the 2008 annual report. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2008</b>		
June	0.115	0.065
July	0.078	0.056
August	0.063	0.040
September	0.056	0.033
October	0.040	0.020
November	0.033	0.022
December	0.033	0.026
<b>2009</b>		
January	0.053	0.028
February	0.066	0.034
March	0.062	0.045
April	0.077	0.056
May	0.127	0.056
June (up to Latest Practicable Date)	0.119	0.109

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to Ordinary Resolution No. 4 and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company nor have any such connected persons have undertaken not to sell any of the Shares held by them to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

## 6. TAKEOVERS CODE

If, as a result of a Share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders (as defined in the SFO) and in the event that the Directors exercise the Repurchase Mandate in full, shareholding percentage of the substantial Shareholders under the SFO would be as follows:-

Name	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Harvest Rise Investments Limited ( <i>note 1</i> )	29.46%	32.73%
Ms. Kung Ching ( <i>note 2</i> )	29.46%	32.73%
Tat Fai Enterprises Ltd. ( <i>note 3</i> )	12.77%	14.19%
Mr. Cheung Chung Chit	12.77%	14.19%

*Note:*

- Harvest Rise Investments Limited is a private company wholly and beneficially owned by Mr. Xiang Xin. Mr. Xiang is the sole director of Harvest Rise Investments Limited.
- Ms. Kung Ching, the spouse of Mr. Xiang, is deemed to have interest in the shares held by Harvest Rise Investments Limited as mentioned in note 1 above.
- Tat Fai Enterprises Ltd. is a private company wholly and beneficially owned by Mr. Cheung Chung Chit.

If the present shareholdings remained the same, the shareholding of Harvest Rise Investments Limited and Tat Fai Enterprises Ltd. would be increased to approximately 32.73% and 14.19% respectively of the issued share capital of the Company. The Directors have no present intention to exercise the repurchase proposal to such an extent as would result in takeover obligations.

## 7. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not purchased, sold or redeemed any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Stated below is the details of the Directors who will retire and be eligible for re-election at the AGM.

**Mr. Zang Hong Liang** (“Mr. Zang”), aged 41, an independent non-executive Director and is a member of the audit committee of the Company, joined the Company in September 2004. He is at present a partner of Global Law Office, a large law firm in the PRC. He graduated from the Faculty of Law of Xiamen University in 1991 and Postgraduate Institute of China University of Political and Law Science in 1994. He holds a Bachelor degree in International Economic Law and a Master degree in Commercial Law. Mr Zang’s area of practice includes laws on commercial litigation, arbitration, investment and anti-dumping.

Mr. Zang did not hold directorships in other listed public companies in the last three years. Mr. Zang is not connected with any directors, senior management or substantial or controlling shareholders of the Company and Mr. Zang has not entered into any service contract with the Company. He is entitled to a fixed remuneration of HK\$5,000 per annum for acting as an independent non-executive director and a member of the audit committee of the Company. Mr. Zang has not been appointed for a specified term and will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Zang personally hold 22,040,000 Options in the Company, representing approximately 0.43% of the issued share capital of the Company. Save as disclosed above, he does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Other than the information disclosed above, there are no other matters that need to be brought to the attention of holders of securities of the Company.

**Mr. Chan Cheong Yee** (“Mr. Chan”), aged 45, an executive Director, joined the Company in June 2003. Mr. Chan has obtained a bachelor of science degree from the College of Business Administration of The University of South Florida in the United States. Mr. Chan was appointed as an independent non-executive director of Emcom International Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, on 28 August 2007. Mr. Chan has been promoted to executive director of Emcom International Limited since 17 April 2009. On top of the directorships mentioned above, from 2004 to 2006, Mr. Chan was an independent non-executive director of Cosmopolitan International Holdings Limited, a company listed on the Stock Exchange, and from 1 June 2002 to 30 June 2003, he was an executive director of Haywood Investments Limited (currently Apex Capital Limited), an investment company listed on the Stock Exchange under Chapter 21 of the Listing Rules. From May 2004 to February 2005, he was an independent non-executive director of GP Nano Technology Group Limited, a company listed on the Growth Enterprise Market of the Stock Exchange until 9 June 2005. Mr. Chan is a licensed person under the SFO for regulated activities in dealing in securities, dealing in futures contracts, leveraged foreign exchange trading and asset management and is a responsible officer of China Everbright Securities (HK) Limited, which is licensed corporations under the SFO.

Saved as disclosed above, Mr. Chan did not hold directorships in other listed public companies in the last three years. Mr. Chan is not connected with any directors, senior management or substantial or controlling shareholders of the Company and Mr. Chan has not entered into any service contract with the Company. He is entitled to a fixed remuneration of HK\$5,000 per annum for acting as an executive director of the Company. Mr. Chan has not been appointed for a specified term and will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Chan personally hold 17,040,000 Shares and 20,000,000 Options in the Company, representing approximately 0.72% of the issued share capital of the Company. Save as disclosed above, he does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Other than the information disclosed above, there are no other matters that need to be brought to the attention of holders of securities of the Company.

**Mr. Wang Qing Yu** (“Mr. Wang”), aged 65, a non-executive Director and Chairman of the Company, joined the Company in December 2005. Mr. Wang graduated from Optical Equipment Faculty (光學儀器系) of Changcun University of Science and Technology, majoring in Precision Mechanics. Mr. Wang had previously taught optical precision mechanical technology and optical cold processing and conducted related scientific research. He was Chancellor of Changcun University of Science and Technology, secretary of the Party Committee, Head President of China South Industries Group Corporation and Director of the General Office. He was awarded National Science Conference Group Award Grade A. Mr. Wang was recognized as a science expert by the State Council of the People’s Republic of China and is entitled to perpetual government allowances.

Mr. Wang has not held directorship in any other listed public companies in the last three years. Mr. Wang is not connected with any directors, senior management or substantial controlling shareholders of the Company and Mr. Wang has not entered into any service contract with the Company. He is entitled to a fixed remuneration of HK\$5,000 per annum for acting as a non-executive Director and Chairman of the Company. Mr. Wang has not been appointed for a specific term and will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Wang personally hold 13,520,000. Options in the Company, representing approximately 0.26% of the issued share capital of the Company. Save as disclosed above, he does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO.

Other than the information disclosed above, there are no other matters that need to be brought to the attention of holders of securities of the Company.

**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)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of China Innovation Investment Limited (the “Company”) will be held at 26/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2008.
2. To re-elect the retiring Directors of the Company and to authorise the board of Directors of the Company to fix their remuneration.
3. To re-appoint Messrs. Graham H. Y. Chan & Co. as auditors of the Company and to authorise the board of Directors of the Company to fix their remuneration.
4. To consider and, if thought fit, pass the following resolution, with or without amendments, as an Ordinary Resolution:

**“THAT**

- (a) subject to paragraph 4(b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase the securities of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time and the manner of any such repurchase be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph 4(a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraph 4(a) of this resolution shall be limited accordingly; and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until, whichever is the earliest of:

- (i) The conclusion of the next annual general meeting of the Company;
  - (ii) The expiration of the period within which the next annual general meeting of the Company is required by the law or the Articles of Association of the Company to be held; and
  - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in a general meeting.
5. To consider and, if thought fit, pass the following resolution, with or without amendments, as an Ordinary Resolution:

**“THAT**

- (a) subject to paragraph 5(c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 5(a) above shall authorise the Directors of the Company to make or grant offers, agreements and options during the Relevant Period (as hereinafter defined) which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph 5(a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

- (iii) the exercise of options granted under any option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the share capital of the Company to officers and/or employees of the Company and/or any of its subsidiaries; and
- (iv) any scrip dividend or similar arrangement providing for the allotment of shares in the share capital of the Company implemented in accordance with the Articles of Association of the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraphs 5(a) and 5(b) above shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until, whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the law or the Articles of Association of the Company to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in a general meeting.

“**Rights Issue**” means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the Directors of the Company to the holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).

6. To consider and, if thought fit, pass the following resolution, with or without amendments, as an Ordinary Resolution:

“**THAT** the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to and in accordance with resolution 5 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the aggregate nominal amount of the share capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the said resolution.”

7. To consider and, if thought fit, pass the following resolution, with or without amendments, as an Ordinary Resolution:

“**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “Scheme Mandate Limit”) under the share option scheme adopted by written resolution of the Company on 18 July 2002 in the manner as set out in paragraph (a) of this resolution below,

- (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the directors of the Company be and are hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By Order of the Board  
**China Innovation Investment Limited**  
**Xiang Xin**  
*Executive Director and  
Chief Executive Officer*

Hong Kong, 2 June 2009

*Notes:*

- (a) The register of members of the Company will be closed from Thursday, 25 June 2009 to Tuesday, 30 June 2009 (both days inclusive) during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Branch Share Registrar, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 24 June 2009.
- (b) A form of proxy for use at the Annual General Meeting is enclosed. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Branch Share Registrar, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding such meeting.