

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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.

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 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,  
PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND THE ARTICLES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the annual general meeting of China Innovation Investment Limited ("the Company") to be held at 25/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 8 June 2010 at 11:00 a.m. ("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.

4 May 2010

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 25/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 8 June 2010 at 11:00 a.m., a notice of which is set out in Appendix III to this circular
“Articles”	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”	29 April 2010, 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
“Memorandum”	the memorandum of association of the Company
“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

## DEFINITIONS

“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



**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 (*Chairman and Chief Executive Officer*)  
Mr. Chan Cheong Yee  
Mr. Wong Chak Keung

*Non-executive Director:*

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

4 May 2010

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES,  
PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT,  
PROPOSED AMENDMENTS TO THE MEMORANDUM  
AND THE ARTICLES  
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, (iii) the proposed refreshment of Scheme Mandate Limit, and (iv) the proposed amendments to the Memorandum and the Articles of the Company.

## LETTER FROM THE BOARD

### GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 30 June 2009, 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 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 June 2009, the Shareholders approved, among other things, an ordinary resolution to grant the general mandate to allot and issue up to 1,034,173,150 Shares (the "General Mandate") which has not been utilized up to the Latest Practicable Date.

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 6,579,385,753 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 1,315,877,150 new Shares.

### RE-ELECTION OF DIRECTORS

In accordance with Article 99(1) of the Articles of the Company, Mr. David Wang Xin, Mr. Ng Kwong Chue, Paul and Mr. Lee Wing Hang 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 and the Scheme Mandate Limit was 517,086,575 Shares, representing 10% of the Shares in issue as at the date of annual general meeting held on 30 June 2009. 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.

As at the Latest Practicable Date, the Company had a total of 423,797,183 Options outstanding, representing approximately 6.44% 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 6,579,385,753 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 657,938,575 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.

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.

## LETTER FROM THE BOARD

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.

### AMENDMENTS TO THE MEMORANDUM AND THE ARTICLES

Effective from 1 January 2009, various provisions of the Listing Rules relating to, among other things, the use of websites for communication with Shareholders, voting at general meetings and notice of general meetings have been amended. To align the provisions of the Articles with the requirements of the Listing Rules, a special resolution will be proposed at the AGM to amend the Articles to the effect that:

- (a) at least 20 clear business days' notice shall be given in respect of annual general meeting of the Company and at least 10 clear business days' notice shall be given in respect of all other general meeting of the Company;
- (b) all resolutions at general meetings of the Company shall be voted by poll;
- (c) subject to the Listing Rules, the Company may send or supply corporate communications (as defined in the Listing Rules) to Shareholders by making them available on the Company's own website; and
- (d) the application of section 8 of the Electronic Transactions Law of the Cayman Islands is excluded so that the Company can take advantage of delivery by electronic means to the fullest extent as allowed under the Listing Rules.

Please refer to the full text of the special resolution for details of the proposed amendments to the Memorandum and the Articles as set out in the notice of the AGM.

### 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, the refreshment of Scheme Mandate Limit and the amendments to the Memorandum and the Articles 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**  
*Chairman 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 6,579,385,753 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 423,797,183 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 657,938,575 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 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 2009 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>2009</b>		
May	0.121	0.058
June	0.113	0.083
July	0.100	0.083
August	0.087	0.064
September	0.071	0.062
October	0.068	0.058
November	0.086	0.065
December	0.087	0.070
<b>2010</b>		
January	0.076	0.066
February	0.071	0.065
March	0.081	0.070
April (up to Latest Practicable Date)	0.088	0.071

#### 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> )	26.19%	29.10%
Ms. Kung Ching ( <i>note 2</i> )	26.19%	29.10%
Guard Max Limited ( <i>note 3</i> )	12.16%	13.51%
Mr. Yu Wang Shen ( <i>note 3</i> )	12.16%	13.51%
Tat Fai Enterprises Ltd. ( <i>note 4</i> )	6.61%	7.34%
Mr. Cheung Chung Chit ( <i>note 4</i> )	6.61%	7.34%

*Notes:*

- 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.
- Guard Max Limited is a private company wholly and beneficially owned by Mr. Yu Wang Shen. Mr. Yu Wang Shen is deemed to have interest in the shares held by Guard Max Limited.
- Tat Fai Enterprises Ltd. is a private company wholly and beneficially owned by Mr. Cheung Chung Chit. Mr. Cheung Chung Chit is deemed to have interest in the shares held by Tat Fai Enterprises Ltd.

If the present shareholdings remained the same, the shareholding of Harvest Rise Investments Limited, Guard Max Limited and Tat Fai Enterprises Ltd. would be increased to approximately 29.10%, 13.51% and 7.34% 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. David Wang Xin** (“Mr. Wang”), aged 47, an independent non-executive Director and is a chairman of the audit committee of the Company, joined the Company in October 2002. He is the founder and the president of Sun & Sun group of companies, a Singapore-based investment and consultancy group. Mr. Wang graduated with a bachelor’s degree in Mechanical Engineering in 1982 and a master’s degree in Business Administration in 1985.

Save as disclosed above, Mr. Wang did not hold directorships in other listed public companies in the last three years nor was there any other matters that need to be brought to the attention of the shareholders of the Company and no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Mr. Wang is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he holds 26,137,704 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance. 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 as determined based on duties and responsibilities for acting as an independent non-executive director 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 the Company.

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. Ng Kwong Chue Paul** (“Mr. Ng”), aged 39, a non-executive Director, joined the Company as executive Director in April 2003 and re-designated as non-executive Director in May 2006. He has more than 12 years of experience in audit, taxation and corporate finance areas. Mr. Ng was one of the founders of the Company. He is also the company secretary and chief investment officer of JLF Investment Company Limited, a company listed on the main board of the Hong Kong Stock Exchange. Mr. Ng also manages a private equity funds with total fund size over HK\$700 million. He holds a bachelor degree in Commerce from The University of Melbourne. He is a member of CPA Australia, Hong Kong Institute of Certified Public Accountants and a certified management consultant with Australia Institute of Management.

Mr. Ng did not hold directorships in other listed public companies in the last three years nor was there any other matters that need to be brought to the attention of the shareholders of the Company and no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Mr. Ng is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he holds 23,764,262 share options of the Company within the meaning of Part XV of the Securities and Future Ordinance. Mr. Ng has not entered into any service contract with the Company. He is entitled to a fixed remuneration of HK\$5,000 per annum as determined based on duties and responsibilities for acting as a non-executive director of the Company. Mr. Ng 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 the Company.

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. Lee Wing Hang** (“Mr. Lee”), aged 41, an independent non-executive Director and a member of the audit committee of the Company, joined the Company in December 2006. He is the partner of Tony W. H. Lee & Co., Certified Public Accountants (Practising). He holds a bachelor degree in accountancy from Australia. He has over 15 years of experience in corporate finance, accounting, auditing and taxation sectors. Mr. Lee is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia.

Mr. Lee did not hold directorships in other listed public companies in the last three years nor was there any other matters that need to be brought to the attention of the shareholders of the Company and no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Mr. Lee is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he holds 1,000,000 Shares and 15,000,000 share options of the Company within the meaning of Part XV of the Securities and Future Ordinance. Mr. Lee has not entered into any service contract with the Company. He is entitled to a fixed remuneration of HK\$5,000 per annum as determined based on duties and responsibilities for acting as an independent non-executive director of the Company. Mr. Lee 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 the Company.

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 25/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 8 June 2010 at 11:00 a.m. for the following purposes:

**ORDINARY RESOLUTIONS**

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2009.
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.”

## SPECIAL RESOLUTION

8. To consider and, if thought fit, pass the following resolution, with or without amendments, as a special resolution of the Company:

(A) **“THAT** the memorandum of association (“Memorandum”) and the articles of association (“Articles”) of the Company be and are hereby amended in the following manner:

**Article 2(1)**

1. By substituting the existing definition of “business day” with the following new definition in Article 2(1):

““business day” shall mean any day on which the Designated Stock Exchange is open for the business of dealing in securities.”

2. By inserting the following new definitions of “clearing house” in Article 2(1):

““clearing house” shall mean a recognized clearing house within the meaning of the Securities and Futures (Chapter 571 of the Laws of Hong Kong) or its nominee(s).”

3. By inserting the following new definitions of “Company Website” in Article 2(1):

““Company Website” shall mean the website of the Company, the address or domain name of which has been notified to Member.”

4. By inserting the following new definitions of “Corporate Communication” in Article 2(1):

““Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its associates, including but not limited to: (a) the directors report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and quarterly report (if any) and, where applicable, its summary interim report and quarterly report (if any); (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the listing rules of the stock exchange where the Company’s shares are listed.”

5. By inserting the following new definitions of “electronic” in Article 2(1):

““electronic” shall have the meaning given to it in the Electronic Transactions Law”

6. By inserting the following new definitions of “electronic means” in Article 2(1):

““electronic means” include sending or otherwise making available to the intended recipients of the communication in electronic format.”

7. By inserting the following new definitions of “Electronic Signature” in Article 2(1):

““Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication.”

8. By inserting the following new definitions of “Electronic Transaction Law” in Article 2(1):

““Electronic Transaction Law” shall mean the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or so substituted therefore.”

9. By substituting the existing definition of “Ordinary resolution” with the following new definition in Article 2(1):

““Ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.”

10. By substituting the existing definition of “Special Resolution” with the following new definition in Article 2(1):

““Special  
Resolution”

a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days and not less than ten (10) business days specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange, except in the case of an annual general meeting, if it is so agreed by a majority of the Members having a right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which not less than twenty-one (21) clear days and not less than ten (10) business days has been given;

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the statutes.”

**Article 70(1)**

By deleting the existing Article 70(1) in its entirety and substituting the following new Article 70(1a) and 70(1b):

“70. (1a) Subject to such other minimum period as may be specified in the Listing Rules from time to time, (a) an annual general meeting (whether for the passing of a special resolution and/or an ordinary resolution) shall be called by not less than twenty (20) clear business days’ notice or twenty-one (21) clear days’ notice (whichever is longer) in writing; (b) a meeting called for the passing of a special resolution shall be called by not less than ten (10) clear business days’ notice or twenty-one (21) clear days’ notice (whichever is longer) in writing, and (c) a meeting of the Company either other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than ten (10) clear business days’ notice or fourteen (14) clear days’ notice (whichever is longer) in writing.

70. (1b) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, particulars of the resolutions to be considered at the meeting, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these Articles, entitled to receive such notices from the Company provided that a meeting of the Company notwithstanding that it is called by shorter notice than that specified in this Articles de deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
- (ii) in the case of any other general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.”

**Article 77**

By deleting the existing Article 77 in its entirety and substituting the following new Article 77:

“77. At any general meeting a resolution put to the vote at the meeting shall be decided on a poll. The poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman directs.”

**Article 78**

By deleting the words “Unless a poll is duly demanded and the demand is not withdrawn,” in the first line and amend the word “without” to “with” so that Article 78 as amended will read:

“78. A declaration by the chairman that a resolution has been carried, or carried unanimously, or a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minutes book of the Company, shall be conclusive evidence of the facts with proof of the number or proportion of the votes recorded for or against the resolution.”

**Article 79**

By deleting the existing Article 79 in its entirety and substituting the following new Article 79:

“79. The result of the poll shall be deemed to be the resolution of the meeting.”

**Article 80**

By deleting the existing Article 80 in its entirety and substituting the following new Article 80:

“80. Any poll on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. “A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time (not being more than thirty days from the date of the meeting or adjourned meeting) and place, as the chairman directs. No notice need to be given of a poll not taken immediately.”

**Article 81**

By deleting the existing Article 81, which reads,

“The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.”

in its entirety and replacing therewith the words “intentionally left blank”

**Article 84**

By deleting the words and punctuation “whether on a show of hands or on a poll,” in the second sentence so that Article 84 as amended will read:

“84. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

**Article 86(1)**

By deleting the words and punctuation “whether on a show of hands or on a poll,” so that Article 86(1) as amended will read:

“86. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, curator bonis or other person in the nature of a receiver, committee, curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.”

**Article 93**

By deleting the words “to demand or join in demanding a poll and” so that Article 93 as amended will read:

“93. Instrument of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it think fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.”

**Article 96(2)**

By deleting the words “including the right to vote individually on a show of hands” so that Article 96(2) as amended will read:

“96. (2) If a clearing house (or its nominees(s)), being a corporation, is a Member, it may authorize such person(s) as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of Members provided that the authorization shall specify the number and class of shares in respect of which each such representative is so authorized. Each person so authorized under the provisions of this Article shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)).”

**Article 181**

By deleting the existing Article 181 in its entirety and substituting the following new Article 181:

“181. Any Notice or documents (including any “Corporate Communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Memorandum and Articles from the Company to a Member shall be in writing and may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid letter addressed to such Member as his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the Member to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the Member or by publishing the same as a paid advertisement in appointed newspapers (as defined in the Law) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company Website or the website of the Designated Stock Exchange provided that the Company has obtained either (a) the Member’s prior express positive confirmation in writing or (b) the Member’s deemed consent, in the manner specified in the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be deemed a sufficient notice to all the joint holders.”

**Article 182**

By deleting the existing Article 182 in its entirety and substituting the following new Article 182:

- “182. Any Notice or documents:
- (a) if sent by post, shall be deemed to have been served on the day following that on which the envelop or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the Notice or document was properly prepaid, addressed and put into such post office and a certificate in writing by the Board that the envelope or wrapper containing the Notice or document was so properly prepaid, addressed and put into such post office shall be conclusive evidence thereof.
  - (b) if delivered or left at a registered address otherwise than by post, shall be deemed to have been served or delivered on the day it was so delivered or left.
  - (c) if served by advertisement, shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the official publication and/or newspaper(s) are published on different dates).
  - (d) if sent by electronic means, shall be deemed to have been served at the time when the Notice or document is transmitted by electronic means where no notification has been received by the Company that the electronic communication has not reached its receipt, except that any failure in transmission beyond the Company’s control shall not invalidate the effectiveness of the Notice or document being served.
  - (e) if published by electronic means (excluding publication on the Company Website), shall be deemed to have been served on the day on which the Notice or document is so published.

- (f) if published on the Company Website and/or the website of the Designated Stock Exchange, shall be deemed to have been served (i) on the date on which the notification required under the Listing Rules is sent; or (ii) if later, the date on which the Notice or document first appears on the website after that notification is sent.
- (g) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable statutes, rules and regulations.
- (h) may be given by the Company with written or printed signature by means of facsimile or, where relevant, by Electronic Signature.”

### Article 183

By deleting the existing Article 183 in its entirety and substituting the following new Article 183:

“183. A Member shall be entitled to have notice served on him at any address within Hong Kong or by any electronic means in compliance with these Articles, legislation and the Listing Rules and any applicable laws, rules or regulations. Any Member who has not given an express positive confirmation in writing or a deemed confirmation to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him Notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A Member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the Registration Office or published on the Company Website shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such Member on the day on which it shall have been first so displayed or published on the Company Website, provided that, without prejudice to the other provisions of the Articles, nothing in this Article 183 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, Notices or document of the Company to any Member whose registered address is outside Hong Kong.”

**Article 184A**

By adding the following new heading and Article 184A after the existing Article 184:

**“ELECTRONIC TRANSACTIONS LAW**

184A. Section 8 of the Electronic Transaction Law shall not apply.”

- (B) Any one Director of the Company be and is hereby authorized for and on behalf of the Company to do all such acts and things, to sign and execute such other documents, deeds and instruments and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with Resolution No. 8(A) and all other matters incidental thereto, including (without limitation) to agree to any amendments and to make such additional amendments to the Memorandum and Articles of the Company which in the opinion of any Director of the Company are not of a material nature and are incidental to the amendments set out in Resolution 8(A).

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

Hong Kong, 4 May 2010

*Notes:*

- (a) A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the Annual General Meeting and vote in person. In such event, his form of proxy will be deemed to have been revoked.
- (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 18/F, 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.
- (d) As at the date of this notice, the executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; the non-executive Director is Mr. Ng Kwong Chue Paul; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.