

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 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)**

### **ESTABLISHMENT OF A JOINT VENTURE FOR FURTHER EXPANSION TO THE LITHIUM BATTERY BUSINESS BY TOPSUN CREATION**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board hereby announces that on 26 July 2010 (after trading hours), Topsun Creation China, a company held by one of the Company's investment, entered into the Cooperation Agreement with the Venture Partners, pursuant to which Topsun Creation China and the Venture Partners agreed to establish a joint venture in the PRC, with a registered capital of RMB 50,000,000. Topsun Creation China and the Venture Partners will hold 77.5% and 22.5% interests in the joint venture respectively. The joint venture will mainly engage in the production and sale of the materials for the positive electrode of lithium battery business so as to further develop into the lithium battery business for Topsun Creation.

#### **JOINT VENTURE AGREEMENT**

The Board hereby announces that on 26 July 2010 (after trading hours), Topsun Creation China, a company held by one of the Company's investment, entered into the Cooperation Agreement with the Venture Partners.

**Date:**

26 July 2010

**Parties:**

- (1) Topsun Creation China
- (2) Venture Partners: Dr. Sun Runguang and Dr. Tang Hao

The Venture Partners are Independent Third Parties.

### **Principal terms of the proposed establishment of the joint venture:**

1. Company name: 太陽能源有限公司 (transliterated as Topsun Energy Limited) or other name agreed by the parties
2. Registered capital: RMB 50,000,000
3. Contribution by the parties:
  - (a) Topsun Creation China will make capital contribution by cash and provide intellectual property as valued by independent valuer, the aggregate amount of which is not less than RMB 46,000,000, representing 77.5% of the registered capital of the joint venture.
  - (b) the Venture Partners will make capital contribution by cash and provide patent technology, the aggregate amount of which is RMB 4,000,000, representing 22.5% of the registered capital of the joint venture.
4. Scope of business: the scope of business of the proposed joint venture is mainly the production and sale of the materials for the positive electrode of lithium battery business.
5. Operation period: expected to be 30 years
6. The establishment of the joint venture, including but not limited to the approval of intellectual property and patent technology as capital contribution, is subject to the approval by the PRC governmental authorities.

### **Reasons for establishing the joint venture**

Topsun Creation China is a company incorporated with limited liabilities in Shenzhen, with advanced solar power technology and a research and development team. It was mainly dedicated to the research and development as well as marketing in the area of the lead acid batteries with energy-saving batteries for new energies as its major products. The characteristics of such product is high volume, whole sealing and maintenance free. The joint venture will acquire the franchised technology of the lithium iron phosphate, materials for the positive electrode of lithium battery through the establishment of the joint venture with the Venture Partners, by which, Topsun Creation can further expand its business into the production and sale of lithium batteries.

The proposed formation of the joint venture by Topsun Creation China and Venture Partners for the expansion of the lithium ion battery market can strengthen the Topsun Creation's capacity in the "new energy" business. It also goes with the development trend of "new energy" for China and the world.

## Information about the Venture Partners

Dr. Sun Runguang was graduated from the University of Tokyo and acted as a post-doctoral fellow in the Ohio State University, US and device scientist of DuPont. In 2002, he returned to the PRC and act as a professor and doctoral supervisor. Dr. Sun Runguang is also the strategic expert of “Major high-definition LCD display\* (高清晰度平板顯示重大專項)” for the Ministry of Science and Technology\*(科技部), the information display expert of ” Eleventh-five year plan and 2020 long and mid-term plan\* (十一五計畫和2020年中長期規劃)” of the Ministry of Industry and Information Technology\* (信息產業部) and the evaluation expert for National Science Foundation Commission\* (國家基金委), Project 863\* (863項目), the National Development and Reform Commission\* (國家發改委) and Shanghai Science and Technology Commission\* (上海市科委).

Dr. Tang Hao, doctoral graduate from the Shanghai University in material science. He has over 5 years of experience in the development and production of lithium iron phosphate materials and batteries as well as experience in the establishment of lithium iron phosphate materials and batteries plants. He has profound knowledge in the combination of lithium iron phosphate materials and preparation of batteries.

## GENERAL

The purpose of the announcement is to set out the principal terms of the Cooperation Agreement. The Company will issue further announcement(s) in relation to any material development of the possible transactions and action for the investment project to comply with the disclosure and/or approval requirements of the Listing Rules.

**The Board would like to state that the transaction may or may not proceed. Shareholders and investors shall exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the meanings set out below:

“Board”	the board of Directors of the Company
“Company”	China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Cooperation Agreement”	The cooperation agreement entered into by Topsun Creation China and the Venture Partners on 26 July 2010 in relation to the establishment of a joint venture
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and any director, chief executive, management shareholders or substantial shareholders or any of their respective associates (as defined in the Listing Rules) and are not connected persons of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Topsun Creation”	Topsun Creation Limited, a company incorporated in Hong Kong with limited liability, an investment of the Company. As at the date of this announcement, the total issued share capital of Topsun Creation comprised 690 “A” shares and 1,310 “B” shares. The total investment of the Company in Topsun Creation (including shareholders’ loan) amounted to HK\$37,260,000 and the Company holds 1,310 “B” shares, which represents non-voting shares, in Topsun Creation
“Topsun Creation China”	太陽創建(中國)能源科技有限公司 (transliterated as Topsun Creation (China) Energy Technology Limited), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of Topsun Creation in the PRC
“Venture Partners”	Dr. Sun Runguang and Dr. Tang Hao
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 26 July 2010

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

\* *for identification purposes only*