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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)

The signing of the Equity Interests and Shareholders' Loan Swap Agreement

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

Equity Interests and Shareholders' Loan Swap Agreement

The Board hereby announces that, on 15 November 2010 (after trading hours), the Company entered into the Equity Interests and Shareholders' Loan Swap Agreement with Joy China, pursuant to which the Company agrees to swap the Dooda Innovation Equity Interests and Shareholders' Loan being held by it for Aesthetic Vision Equity Interests and Shareholders' Loan being held by Joy China.

Equity Interests and Shareholders' Loan Swap Agreement

Date: 15 November 2010 (after trading hours)

Parties

- (1) Joy China; and
- (2) the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Joy China and its ultimate beneficial owners are third parties independent of and not connected with the Company and connected persons (as defined in the Listing Rules) of the Company.

Conditions Precedent

The Equity Interests and Shareholders' Loan Swap Agreement is conditional upon the following conditions being fulfilled or waived (as the case may be):

- (1) the Company and Joy China having obtained all necessary consents and approvals for the equity interests and shareholders' loan swap;
- (2) the Company and Joy China confirmed that the respective equity interests held by them are free from all liens, charges, pledges and third party(ies) rights of any nature; and
- (3) Aesthetic Vision having incorporated 唯美视界(中國)有限公司(transliterated as Aesthetic Vision (China) Limited) or other name acceptable to the Company and Joy China, in the PRC and the PRC government approved its registered capital to be not less than RMB100 million (or HK\$ equivalent).

If the above conditions precedent are not satisfied within three months from entering into this agreement, the agreement shall forthwith terminate and the parties to the shares swap agreement shall have no liabilities towards the others except for those arising from antecedent breach.

Principal terms of the Equity Interests and Shareholders' Loan Swap Agreement

- (1) Joy China agrees to swap the 1,890 B shares it holds in the equity interests of Aesthetic Vision for the 150 A shares and 2,250 B shares that the Company holds in the equity interests of Dooda Innovation, whereas the Company agrees to swap the 150 A shares and 2,250 B shares it holds in the equity interests of Dooda Innovation for the 1,890 B that Joy China holds in the equity interests of Aesthetic Vision; and
- (2) Joy China agrees to swap its shareholders' loan to Aesthetic Vision amounted to HK\$51,352,252 for the Company's shareholders' loan to Dooda Innovation amounted to HK\$51,352,252, whereas the Company agrees to swap its shareholders' loan to Dooda Innovation amounted to HK\$51,352,252 for Joy China's shareholders' loan to Aesthetic Vision amounted to HK\$51,352,252.

Consideration

The consideration for equity interests swap is HK\$2,398, which is arrived at after arm's length business negotiation between the Company and Joy China with reference to the Company's percentage of interests in Aesthetic Vision and the proportion of corresponding shareholders' loan. The Company and Joy China also swapped their respective shareholders' loans in the amount of HK\$51,352,252 on a dollar-for-dollar basis.

Information on Aesthetic Vision

The principal assets of Aesthetic Vision include its wholly-owned subsidiaries incorporated in the PRC. Its major product is LED lighting. Aesthetic Vision possesses of LED ergonomics technology with features including LED illuminant, appropriate light flux, free colour temperature, healthy spectrum and compliance to ergonomics. Its products are widely used in military production as well as civic purposes.

As at the date of this announcement, Joy China holds the entire issued shares of Aesthetic Vision. Aesthetic Vision is a company incorporated in Hong Kong with limited liability. Its authorised capital is HK\$10,000, divided into 1,000 A shares and 9,000 B shares of HK\$1 each. The issued share capital of which is 3,000 shares, comprises of 1,000 A shares and 2,000 B shares (the B shares were non-voting shares).

Information on Dooda Innovation

The principal assets of Dooda Innovation include its holding subsidiaries incorporated in the PRC, the principal business of which are the application of LED backlight and lighting technology, a new energy-saving lighting technology, in research, design, manufacture and sale of the new LED lighting products for both military production and civic purposes.

As at the date of this announcement, the Company held 150 A shares and 2,250 B shares, while Joy China held 600 A shares in Dooda Innovation Limited (“Dooda Innovation”). Dooda Innovation is a company incorporated in Hong Kong with limited liability. Its authorised capital is HK\$10,000, divided into 5,000 A shares and 5,000 B shares of HK\$1 each. The issued share capital of which comprises of 750 A shares and 2,250 B shares (the B shares were non-voting shares).

Reasons for the Equity Interests and Shareholders’ Loan Swap Agreement

The Company intended to form an industrial chain integrating the 4 new industries to integrate the application of the new energy technology and products, the new lighting technology and products, and the new materials processing technology products into solar-energy products, such as electric vehicle using solar energy, solar energy notebook computer, solar energy outdoor lighting, and solar energy integrated unit, which would serve both military production and civic purposes. The technologies and products of Aesthetic Vision could match the requirements of the Company in industrial chain technologies and products better than that of Dooda Innovation.

Aesthetic Vision is an enterprise using new illuminants and possessed of powerful research and development technology. Currently, it is planning to further explore into the LED ergonomics and expand its research and development in new illuminants. LED ergonomics have the characteristics of LED illuminant, appropriate light flux, free colour temperature, healthy spectrum and compliance to ergonomics.

Dooda Innovation is adding low-carbon presentation construction business into its original business operation. Aesthetic Vision is enjoying greater advantage over Dooda Innovation in the field of new illuminants in terms of technology research and market development.

The Company adjusts its investment in new illuminants by shifting its existing investment in Dooda Innovation to investment in Aesthetic Vision. This will enhance the Company’s strength in the “new illuminants” field and also conform to the domestic and global trend. The signing of the Equity Interests and Shareholders’ Loan Swap Agreement did not incur any additional expenses to the Company. Neither did this have any material effect in the Company’s income statement. Accordingly, the Directors consider that the entering of Equity Interests and Shareholders’ Loan Swap Agreement is in the interests of the Company and Shareholders as a whole.

Definitions

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Aesthetic Vision”	Aesthetic Vision Limited, a company incorporated in Hong Kong with limited liability
“Aesthetic Vision Equity Interests and Shareholders’ Loan”	The 1,890 B shares of Aesthetic Vision being held by Joy China and its shareholders’ loan to Aesthetic Vision amounted to HK\$51,352,252
“Board”	the board of Directors of the Company
“Company”	China Innovation Investment Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Dooda Innovation”	Dooda Innovation Limited, a company incorporated in Hong Kong with limited liability
“Dooda Innovation Equity Interests and Shareholders’ Loan”	The 150 A shares and 2,250 B shares of Dooda Innovation being held by the Company and its shareholders’ loan to Dooda Innovation amounted to HK\$51,352,252
“Equity Interests and Shareholders’ Loan Swap Agreement”	The Equity Interests and Shareholders’ Loan Swap Agreement dated 15 November 2010 entered into between the Company and Joy China in relation to the Company’s swap of the Dooda Innovation Equity Interests and Shareholders’ Loan being held by it for Aesthetic Vision Equity Interests and Shareholders’ Loan being held by Joy China
“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) who, 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

“Joy China”	Joy China Group Limited, a company incorporated in British Virgin Islands with limited liability
“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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

For the purpose of this announcement, conversion of HK\$ into RMB is calculated at the approximate exchange rate of HK\$0.865 to RMB1.00. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

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

Hong Kong, 15 November 2010

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; the Non-executive 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.