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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 APPOINTMENT OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary 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 Monday, 28 February 2011 at 11:00 a.m. is set out in pages 4 to page 5 of 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.

9 February 2011

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DEFINITIONS

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

| | |
|------------------|---|
| “Ascenda” | Ascenda Cachet CPA Limited |
| “Board” | the board of Directors |
| “Company” | China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Stock Exchange |
| “Directors” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held at 25/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 28 February 2011 at 11:00 a.m., a notice of which is set out in pages 4 to 5 of this circular |
| “Graham” | Graham H.Y. Chan & Co |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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 (*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

*Head office and principal place of
business in Hong Kong:*

26/F, No.9 Des Voeux Road West

Sheung Wan

Hong Kong

9 February 2011

To the Shareholders

Dear Sir or Madam,

PROPOSED APPOINTMENT OF AUDITORS

INTRODUCTION

Reference is made to the announcement of the Company dated 28 December 2010 and 14 January 2011 regarding the resignation of Graham as auditors of the Company with effect from 24 December 2010 and the proposal of the Board to appoint Ascenda as the auditors of the Company to fill the vacancy and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the EGM.

The purpose of this circular is to provide the Shareholders with information on the above proposal and to give notice of the EGM at which an ordinary resolution will be proposed for the purpose of approving the appointment of auditors.

LETTER FROM THE BOARD

REASON FOR CHANGE OF AUDITORS

The Board received a letter from Graham dated 24 December 2010 informing that they have resigned as the Company's auditors with effect 24 December 2010. The reason for the resignation was that the Company and Graham could not reach an agreement in relation to the audit fee for the financial year ended 31 December 2010. Graham have confirmed in their letter of resignation that there were no circumstances connected with their resignation which they considered should be brought to the attention of the Shareholders of the Company.

Under article 178 of the articles of association of the Company, if the office of auditor becomes vacant by the resignation of auditor, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy.

The Board proposed to appoint Ascenda as the new auditors of the Company to fill the vacancy and to hold office until the next annual general meeting of the Company, subject to the approval of the Shareholders at the EGM.

EGM

Set out on pages 4 to 5 is a notice convening the EGM to be held at 25/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 28 February 2011 at 11:00 a.m., for the purpose of, among other matters, considering and, if thought fit, approving the appointment of Ascenda as auditors of the Company.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

LISTING RULES REQUIREMENT

According to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the ordinary resolution put to the vote at the EGM will be taken by way of poll.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the ordinary resolution to be put before the EGM in relation to the appointment of Ascenda as auditors of the Company in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

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

NOTICE OF EGM



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 an extraordinary general meeting (the “EGM”) of China Innovation Investment Limited (the “**Company**”) will be held at 25/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 28 February 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT** Ascenda Cachet CPA Limited be and is hereby appointed as the auditors of the Company to fill the vacancy occasioned by the resignation of Graham H.Y. Chan & Co, to hold office until the conclusion of the next annual general meeting of the Company and that the board of the directors of the Company be and is hereby authorised to fix the remuneration of the auditors of the Company.”

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

Hong Kong, 9 February 2011

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
26/F, No.9 Des Voeux Road West
Sheung Wan
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies, if holding two or more shares, to attend and to vote in his stead. A proxy need not be a member of the Company.

NOTICE OF EGM

2. Where there are joint registered holders of any share, any one such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon must be deposited with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of authority, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.