
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 AMENDMENT 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 26/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 30 June, 2011 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.

31 May 2011

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 26/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 30 June, 2011 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”	26 May 2011, 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

DEFINITIONS

“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
“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
“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 (*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

31 May 2011

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO
REPURCHASE AND ISSUE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENT 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, and (iii) the proposed amendment 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 8 June 2010, 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 8 June 2010, the Shareholders approved, among other things, an ordinary resolution to grant the general mandate to allot and issue up to 1,315,877,150 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 6,979,385,753 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 1,395,877,150 new Shares.

RE-ELECTION OF DIRECTORS

In accordance with Article 99(1) of the Articles of the Company, Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung 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

PROPOSED AMENDMENT TO THE MEMORANDUM AND THE ARTICLES

The Board proposed to seek the approval of the Shareholders at the AGM to amend the Articles to the effect that the Board shall have the power to appoint any person to fill the vacancy in the office of auditors and fix the remuneration of the auditors so appointed.

The existing Article 178 of the Articles provides that “If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy.”

As it is inconvenient for the Company, in terms of the additional time and costs incurred, to hold a general meeting to fill any casual vacancy arising from the resignation of the auditors of the Company or the auditors being incapable of acting, the Board proposes that the Articles shall be amended by deleting the existing Article 178 in its entirety and be replaced by:

“If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. Any Auditor so appointed shall hold office until the close of the next annual general meeting of the Company.”

Details of the proposed amendment is set out in resolution no. 7 of the notice of the AGM which is set out on page 16 of this circular.

The legal advisers to the Company as to Hong Kong laws and the Companies Law of the Cayman Islands have confirmed that the proposed amendment comply with the requirements of the Listing Rules and do not violate the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendment for a company incorporated under the laws of Cayman Islands and listed on the Stock Exchange.

The proposed amendment to the Articles is subject to the approval of the Shareholders by way of passing a special resolution at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, relevant resolutions to approve the general mandate for Directors to issue and repurchase Shares, re-election of Directors, amendment to the Memorandum and the Articles, is set out on pages 13 to 17 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon.

ACTION TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM, and at any adjournment thereof is enclosed with this circular.

Whether or not you propose to attend the AGM, 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 Registrars 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 holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting if you so wish.

RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
China Innovation Investment Limited
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 6,979,385,753 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 278,797,183 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 697,938,575 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 2010 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>
2010		
June	0.078	0.055
July	0.070	0.054
August	0.066	0.052
September	0.063	0.053
October	0.061	0.053
November	0.056	0.050
December	0.051	0.043
2011		
January	0.050	0.039
February	0.043	0.035
March	0.057	0.038
April	0.050	0.042
May (up to Latest Practicable Date)	0.047	0.037

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>)	24.69%	27.44%
Ms. Kung Ching (<i>note 2</i>)	24.69%	27.44%
Guard Max Limited	11.46%	12.74%
Mr. Zhang Gui Sen (<i>note 3</i>)	11.46%	12.74%
China Seed International Limited	11.46%	12.74%
Mr. Yu Wang Shen (<i>note 4</i>)	11.46%	12.74%

Notes:

1. Harvest Rise Investments Limited is a private company wholly and beneficially owned by Mr. Xiang Xin. Mr. Xiang Xin is the sole director of Harvest Rise Investments Limited.
2. Ms. Kung Ching, the spouse of Mr. Xiang Xin, is deemed to have interest in the Shares and underlying Shares held by Harvest Rise Investments Limited as mentioned in note 1 above.
3. Guard Max Limited is a private company wholly and beneficially owned by Mr. Zhang Gui Sen. Mr. Zhang Gui Sen is deemed to have interest in the Shares held by Guard Max Limited.
4. China Seed International 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 China Seed International Limited.

If the present shareholdings remained the same, the shareholding of Harvest Rise Investments Limited, Guard Max Limited and China Seed International Limited would be increased to approximately 27.44%, 12.74% and 12.74% 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. Xiang Xin, aged 48, an executive Director and the chief executive officer, joined the Company in January 2003. Mr. Xiang has worked for quite a few large organisations in the PRC and engaged in technology project management and corporate strategy research for a long time. Mr. Xiang also has many years of experience in project investment and telecommunications network businesses. Mr. Xiang holds a bachelor degree in Science and a master degree in Engineering from Nanjing University of Science & Technology. Mr. Xiang is also an executive director of China Trends Holdings Limited, a company listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange.

Mr. Xiang has not entered into a service contract with the Company, Mr. Xiang is entitled to a fixed remuneration of HK\$5,000 per annum as determined based on duties and responsibility for acting as an executive director of the Company. Mr. Xiang is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles.

As at the Latest Practicable Date, Mr. Xiang held 1,723,335,379 shares of the Company, through Harvest Rise Investments Limited which was a substantial Shareholder of the Company and Mr. Xiang was the sole director of the company, and 17,040,000 share options under the share option scheme of the Company. Mr. Xiang was also deemed interest in 800,000,000 shares of the Company of the unlisted warrants held by Harvest Rise Investments Limited at the subscription price of HK\$0.20 per Share. This, in aggregate, represented approximately 36.39% of the issued share capital of the Company. Save as disclosed above, Mr. Xiang did not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, Mr. Xiang did not hold directorship in other listed companies in the last three years nor was there any other information relating to Mr. Xiang that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chan Cheong Yee, aged 47, the executive director of the Company, joined the Company in June 2003. He holds a bachelor degree of science majoring in finance and he is a registered and licensed person under the Securities and Futures Ordinance to carry on regulated activities in dealing in securities, advising on securities, dealing in futures contracts and undertaking asset management. Mr. Chan is currently the sales director and the responsible officer of China Everbright Securities (HK) Limited and has been in the financial and investment field for 20 years. He is directly involved in identifying investment opportunities, conducting due diligence, performing valuation, monitoring performance of investment portfolios and providing investment and divestment recommendations. Mr. Chan is both the executive director of Agritrade Resources Limited and Garron International Limited, which are listed on the main board respectively, and also the executive director of Bingo Group Holdings Limited, a company listed on GEM.

Mr. Chan has not entered into a service contract with the Company. Mr. Chan is entitled to a fixed remuneration of HK\$5,000 per annum as determined based on duties and responsibilities for acting as an executive director of the Company. Mr. Chan is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles.

Mr. Chan did not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, Mr. Chan did not hold directorship in other listed companies in the last three years nor was there any other information relating to Mr. Chan that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Wong Chak Keung, aged 44, an executive Director and company secretary of the Company, joined the Company in November 2007. He holds a bachelor degree in business from The University of Southern Queensland in Australia. He is also a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. Mr. Wong has been in the accounting profession for over 15 years. Mr. Wong worked in various positions in an international accounting firm, corporate finance, educational business and manufacturing sector in Hong Kong. Mr. Wong is currently an executive director and company secretary of China Trends Holdings Limited and an independent non-executive director of Bingo Group Holdings Limited, which are listed on the GEM respectively, and an independent non-executive director of China Seven Star Shopping Limited and an executive director of Temujin International Investments Limited, which are listed on the main board respectively.

Mr. Wong has not entered into a service contract with the Company. Mr. Wong is entitled to a remuneration of HK\$600,000 per annum as financial controller of the Company. Mr. Wong is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. Mr. Wong's director's emolument will be determined and approved by the remuneration committee of the Company with reference to market terms, performance, qualification and experience of Mr. Wong.

As at the Latest Practicable Date, Mr. Wong held 10,656,000 Shares of the Company and 6,384,000 share options under the share option scheme of the Company. This, in aggregate, represented approximately 0.24% of the issued share capital of the Company. Mr. Wong did not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, Mr. Wong did not hold directorship in other listed companies in the last three years nor was there any other information relating to Mr. Wong that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.



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 Thursday, 30 June, 2011 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 2010.
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 Ascenda Cachet CPA Limited 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.”

SPECIAL RESOLUTION

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

“**THAT** the articles of association of the Company be and are hereby amended in the following manner:

Articles 178

By deleting the existing Article 178 in its entirety and substituting the following new Article 178:

“178. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. Any Auditor so appointed shall hold office until the close of the next annual general meeting of the Company.”

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

Hong Kong, 31 May 2011

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.

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.