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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 GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES,  
PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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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, 22 May 2014 at 11:00 a.m. (“Annual General Meeting”) is set out in Appendix IV 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.

16 April 2014

## 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 22 May 2014 at 11:00 a.m., a notice of which is set out in Appendix IV 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”	10 April 2014, 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
“New Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Participants”	(a) any full-time employee, director (including non-executive director and independent non-executive director) and part time employee with weekly hours of 15 hours and above of the Company or any of its subsidiaries;

## DEFINITIONS

- (b) any advisor, consultant, agent or business affiliates who, at the sole determination of the board of Directors, has contributed to the Company (the assessment criterion of which are (i) such person's contribution to the development and performance of the Company; (ii) the quality of work performed by such person for the Company; (iii) the initiative and commitment of such person in performing his or her duties; and (iv) the length of service or contribution of such person to the Company)

“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
“Scheme Mandate limit”	The total number of Shares which may be issued upon exercise of all options that may be granted under the Scheme and all other share options scheme(s) of the Company in issue as at the date of the passing the relevant resolution approving the Scheme.
“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. Li Zhou

*Non-executive Directors:*

Mr. Jook Chun Kui Raymond  
Mr. Sun Kuan Chi

*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

16 April 2014

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES,  
PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
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.

**GENERAL MANDATE TO REPURCHASE SHARES**

At the last annual general meeting of the Company held on 24 May 2013, 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

## **LETTER FROM THE BOARD**

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 24 May 2013, the Shareholders approved, among other things, an ordinary resolution to grant the general mandate to allot and issue up to 1,395,877,150 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 98(3) of the Articles of the Company, Mr. Sun Kuan Chi shall retire and being eligible, shall offer himself for re-election at the forthcoming AGM of the Company.

In accordance with Article 99(1) of the Articles of the Company, Mr. Xiang Xin and Mr. Li Zhou shall retire by rotation at the AGM of the Company and offer themselves for re-election at the 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

### ADOPTION OF NEW SCHEME

The Directors propose to adopt the New Scheme which will be put to the Shareholders for approval at the AGM. The adoption of the New Scheme is subject to:

- (a) the approval of the Shareholders at the AGM; and
- (b) the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued under the New Scheme.

Application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Shares to be issued under the New Scheme representing up to 10% of the issued share capital of the Company as at the date of AGM.

The Directors believe that attracting and motivating high quality personnel is a key to the success and growth of the Company. The Directors consider that it is in the interest of the Company to adopt the New Scheme in compliance with Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were 6,979,385,753 shares in issue. On the basis that no further Shares will be issued or repurchased by the Company prior to the AGM, the maximum number of Shares to be issued under the New Scheme that can be granted by the Company under the 10% of the Scheme Mandate Limit would be 697,938,575 Shares.

The Directors believe that the New Scheme will continue to provide Participants with the opportunity of participating in the growth of the Company by acquiring shares in the Company and may, in turn, assist in the attraction and retention of talents who have made contributions to the success of the Company. The purpose of the New Scheme is to provide incentive to Participants to contribute further to the Company. The Board believes that the authority given to the Board under the New Scheme to specify any minimum holdings period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price as well as the authority to select the appropriate Participants as prescribed by the rules of the New Scheme will serve to protect the value of the Company as well as to achieve these purposes of retaining and motivating high quality personnel to contribute to the Company.

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the New Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the subscription price, exercise period, any lock-up period and performance targets which the Directors may set under the New Scheme and other relevant variables. In the premises, the Directors are of the view that the value of the options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical basis and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the options will not be meaningful and may be misleading to the Shareholders in the circumstances.

## **LETTER FROM THE BOARD**

None of the Directors is or will be a trustee of the New Scheme or have a direct or indirect interest in any such trustee.

A summary of the principal terms of the New Scheme is set out in Appendix III to this circular. This serves as a summary of the terms of the New Scheme but does not constitute the full terms of the same. The full terms of the New Scheme can be inspected at the principal place of business in Hong Kong of the Company at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong from the date of this circular up to and including the date of AGM.

To the best knowledge of the Directors, no Shareholders have a material interest in the New Scheme different to that of any other Shareholders and accordingly, no Shareholders, will have to abstain from voting 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.

### **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, is set out on pages 26 to 30 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.

**LETTER FROM THE BOARD**

**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*

16 April 2014

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 14,341,966 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 2013 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>2013</b>		
April	0.025	0.020
May	0.024	0.021
June	0.027	0.021
July	0.030	0.022
August	0.050	0.031
September	0.038	0.022
October	0.036	0.020
November	0.042	0.029
December	0.054	0.033
<b>2014</b>		
January	0.060	0.043
February	0.057	0.044
March	0.054	0.042
April (up to Latest Practicable Date)	0.047	0.042

#### 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. 5 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%
New Time Global Capital Inc. ( <i>note 1</i> )	24.69%	27.44%
Ms. Kung Ching ( <i>note 1</i> )	24.69%	27.44%
Guard Max Limited	11.46%	12.74%
Mr. Zhang Gui Sen ( <i>note 2</i> )	11.46%	12.74%
China Seed International Limited	11.46%	12.74%
Mr. Yu Wang Shen ( <i>note 3</i> )	11.46%	12.74%

*Notes:*

- Harvest Rise Investments Limited is a private company wholly and beneficially owned by New Times Global Capital Inc.. Accordingly, New Times Global Capital Inc. is interested in the shares and the underlying shares of the company held by Harvest Rise Investments Limited. Ms. Kung Ching owns 100% shares of New Times Global Capital Inc. and is also the director of the Company.
- 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 800,000,000 Shares held by Guard Max Limited.
- 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 800,000,000 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 in the event that the Repurchase Mandate is exercised in full. 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** (“Mr. Xiang”), aged 50, was Chairman of the Board, the Chief Executive Officer and executive director of the Company. Mr. Xiang has worked in a number of large organizations in the PRC and engaged in technology project management and corporate strategy research for a long time. Mr. Xiang also possesses many years of experience in project investment and information technology businesses. Mr. Xiang holds a bachelor’s degree in science and a master’s degree in engineering from Nanjing University of Science & Technology. Mr. Xiang is a chairman of China Technology Education Trust Association. Mr. Xiang is currently a chairman of the board, chief executive director and executive director of China Trends Holdings Limited (stock code: 8171), a company listed on the growth enterprise market of the Stock Exchange. Mr. Xiang joined the Company on 14 January 2003.

Mr. Xiang has not entered into a director contract with the Company. Mr. Xiang has not been appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. Mr. Xiang is entitled to a director allowance of HK\$60,000 per annum as determined and based on duties and responsibilities for acting as a Executive Director.

As at the Latest Practicable Date, Ms. Kung Ching, the spouse of Mr. Xiang Xin, hold 1,723,335,379 Shares through Havest Rise Investments Limited which is wholly owned by New Times Global Capital Inc. and Ms. Kung Ching has 100% interest in New Times Global Capital Inc., in the Company which representing approximately 24.69% of issued share capital of the Company. Save as disclosed above, Mr. Xiang does not hold any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and did not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, Mr. Xiang did not hold any 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) of the Listing Rules.

**Mr. Li Zhou** (“Mr. Li”), aged 35, an executive director of the Company and is a member of the executive committee of the Company. Mr. Li holds a master degree of business administration from the University of Hong Kong. Prior to his joining of the Company, Mr. Li has worked in several listed companies and investment companies in the People’s Republic of China. Mr. Li has extensive experience in the areas of telecommunications, information technology, project management, financing, and mergers and acquisitions. Mr. Li joined the Company in June 2011.

Mr. Li has not entered into a service contract with the Company. Mr. Li has not been appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. Mr. Li is entitled to a director allowance of HK\$60,000 per annum as determined and based on duties and responsibilities for acting as an Executive Director.

As at the Latest Practicable Date, Mr. Li did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Li did not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

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

**Mr. Sun Kuan Chi** (“Mr. Sun”) aged 65, was the Ph.D. degree holder from Georgetown University and Master degree holder from The Johns Hopkins University in Computer Science. Mr. Sun is currently the CEO of Hughes Network Technology (Beijing) Limited and has extensive experience in satellite mobile internet. Mr. Sun joined the Company on 10 December 2013.

Mr. Sun has not entered into a service contract with the Company. Mr. Sun has not been appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. Mr. Sun is entitled to a director allowance of HK\$30,000 per annum as determined and based on duties and responsibilities for acting as a Non-Executive Director.

As at the Latest Practicable Date, Mr. Sun did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Sun did not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

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

**NEW SHARE OPTION SCHEME**

The following is a summary of the principal terms of the New Scheme, conditionally adopted by Shareholders on 22 May 2014. The terms of the New Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

**DEFINITIONS:**

“Adoption Date”	the date on which the New Scheme becomes unconditional upon fulfilment of the condition set out in paragraph (v) below;
“Date of Grant”	in respect of any particular Option, the business day on which the Board resolves to make an Offer to a Participant;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person;
“Offer”	the offer of the grant of an Option made in accordance with the terms of the New Scheme;
“Option”	an option to subscribe for Shares pursuant to the New Scheme;
“Option Period”	the period to be notified by the Board to each Grantee and in any event the period shall not be more than ten (10) years from the Date of Grant during which an Option can be exercised;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with the terms of the New Scheme;
“Vest” or “Vesting”	in relation to an Option, means an Option becoming exercisable; and
“Participants”	(a) any full-time employee, director (including non-executive director and independent non-executive director) and part time employee with weekly hours of 15 hours and above of the Company or any of its subsidiaries;

- (b) any advisor, consultant, agent or business affiliates who, at the sole determination of the board of Directors, has contributed to the Company (the assessment criterion of which are (i) such person's contribution to the development and performance of the Company; (ii) the quality of work performed by such person for the Company; (iii) the initiative and commitment of such person in performing his or her duties; and (iv) the length of service or contribution of such person to the Company).

**(a) Purpose of the New Scheme**

The purpose of the New Scheme is to reward Participants who have contributed to the Company and to provide incentives to Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

**(b) Who may join and basis of eligibility**

The Board may, at its discretion and on such terms as it may think fit, grant any Participant an Option as it may determine in accordance with the terms of the New Scheme.

The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his/her/its contribution or potential contribution to the development and growth of the Company.

**(c) Duration and Administration**

The New Scheme will be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be offered or granted. The New Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties. The Board shall, subject to the rules of the New Scheme and the Listing Rules, have the right and at its discretion and based on such factors as it shall consider relevant to:

- (i) interpret and construe the provisions of the New Scheme and Options made under it;
- (ii) determine the eligibility of persons who will be granted Options under the New Scheme;
- (iii) determine the date of the grant of Option;
- (iv) determine the number of Shares to be subject to the Option;

- (v) determine the terms and conditions of the Option including:
  - (a) the Subscription Price (if relevant);
  - (b) the minimum period, if any, for which the Option must be held before it Vests;
  - (c) performance targets and other criteria, if any, to be satisfied before the Option can Vest;
  - (d) the amount, if any, payable on application or acceptance of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
  - (e) the period, if any, during which Shares allotted and issued or transferred upon Vesting of the Option shall be subject to restrictions on dealings, and the terms of such restrictions;
  - (f) the notification period, if any, to be given to the Company of any intended sale of Shares allotted and issued or transferred upon Vesting of the Option; and
  - (g) Option Period (if relevant).
- (vi) approve the form of Option agreements;
- (vii) prescribe, amend and rescind rules and regulations relating to the New Scheme;
- (viii) subject to the other provisions of the New Scheme, make appropriate and equitable adjustments to the terms and conditions of any Option agreement, including extending the Option Period provided that it shall not be greater than the period (if any) prescribed by the Listing Rules from time to time (which is, at the Adoption Date, not more than 10 years from the Date of Grant and waiving or amending (in whole or in part) any conditions to which Options are subject; and
- (ix) make such other decisions or determinations as it shall deem appropriate in the administration of the New Scheme.

**(d) Options to be offered within 10 Years**

The Board will be entitled at the times within ten (10) years after the Adoption Date and subject to such conditions as the Board may think fit make an Offer to any Participant as the Board may in its absolute discretion select.

**(e) Terms and Conditions**

The Board may grant Options on such terms and subject to such conditions as it thinks fit. The Board may, in its absolute discretion, determine that Options will be subject to performance targets that must be achieved before Vesting.

**(f) Acceptance and exercise of an option**

An offer of an Option must be accepted within twenty-eight (28) days from the Date of Grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option. Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within the prescribed time period, it will be deemed to have been irrevocably declined.

An Option may be exercised in the manner set out in the offer of grant of such Option and in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date of grant of the Option and shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof. No minimum period for which the Option has to be held before it can be exercised is specified in the New Scheme, however, the offer of grant of an option may set out the minimum period for which the Option has to be held before it can be exercised which may be determined by the Directors at their discretion.

**(g) Restriction on the time of the offer for the grant of Options**

No offer for grant of Options shall be made after inside information has come to its knowledge until it has announced in accordance with the requirements under the Listing Rules. In particular, during the period of one month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results of any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no Option shall be granted.

The Directors may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the code of corporate governance practice incorporating the code provisions of Appendix 14 of the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(h) Offers made to Directors, chief executive, and substantial shareholders and their respective Associates**

Insofar as the Listing Rules require and subject to the terms of the New Scheme, where any Offer proposed to be made to a Director or a chief executive or a substantial shareholder of the Company or any of his, her or its associates (as defined by the Listing Rules), it must be approved by the independent non-executive Directors (excluding an independent non-executive Director who is the proposed Grantee of Options in question).

**(i) Subscription Price for Options**

The Subscription Price payable on the exercise of an Option shall be a price determined by the Board at its absolute discretion and notified to a Participant and shall be no less than the greatest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the Date of Grant; or
- (iii) the nominal value of the Shares.

**(j) Transfer**

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way dispose of, sell, transfer, charge, mortgage, encumber or create any interest in favor of any other party over or in relation to any Option, unless under the circumstances permitted by the New Scheme.

**(k) Vesting of Options**

The Board will determine the minimum period (if any) for which an Option must be held before it Vests and any other conditions in relation to dealing with Shares on Vesting. In particular:

- (i) in the event of the Grantee ceasing to be a Participant by reason of his/her death before exercising his/her Option in full and none of the events which would be a ground for termination of his/her employment as specified in paragraph (m)(v) having arisen, his/her legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) in whole or in part within the period of 12 months following his/her death;
- (ii) in the event of a Grantee who is an employee or a Director of the Company ceasing to be a Participant for any reason other than his/her death or the termination of his/her employment or directorship on one or more of the grounds specified in paragraph (m)(v), the Grantee may, within a period of three (3) month (or such longer period as the Board may determine) from the date of cessation (which date shall be the last actual working date with the Company whether salary is paid in lieu of notice or not), exercise his or her Option, up to his or her entitlement at such date of cessation in whole or in part (to the extent it has become exercisable and not already exercised);

- (iii) in the event of a Grantee who is not an employee or a director of the Company ceasing to be a Participant (which shall be as and when determined by the Board by resolution) for any reason other than his/her death the Board may by written notice to such Grantee within one month from (and including) the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation and if the Board does not serve such a written notice within that one month period, the Option shall remain exercisable at any time during the original Option Period;
- (iv) in the event of the Grantee ceasing to be a Participant by reason of the termination of his/her employment or directorship on one or more of the grounds specified in paragraph (m)(v), his/her Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his/her employment and to the extent the Grantee has exercised the Option in whole or in part pursuant to the New Scheme, but Shares have not been allotted to him/her, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (v) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (k)(vi) below) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or, where appropriate, his or her personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
- (vi) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the requisite majority at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice;
- (vii) in the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued; and

(viii) other than a scheme of arrangement contemplated in paragraph (k)(vi) above, in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and the Grantee (or his or her personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on exercise of such Option.

**(l) Consequences of Vesting**

*(i) Options*

On Vesting, an Option becomes exercisable to the extent that it Vests. An Option shall be exercised in whole or in part by the Grantee to the extent it has Vested, by giving notice in writing to the Company in a prescribed form. Any partial exercise of an Option shall be in respect of such number of Shares as from time to time constitutes a board lot for the purposes of trading Shares on the Stock Exchange or an integral multiple thereof.

*(ii) Allotment and Issue of Shares*

Within twenty-eight (28) days after receipt of the notice and, where appropriate, other necessary documentations, and subject to the accompanying remittance having been honored in full, the Company shall allot and issue the relevant Shares to the Grantee credited as fully paid and shall instruct the Share Registrar to issue to the Grantee a share certificate in respect of the Shares so allotted and issued.

*(iii) Rights*

A Grantee shall not be entitled to vote, to receive dividends or to have any other rights, including those arising on the liquidation of the Company.

*(iv) Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Memorandum and the Articles of Associate of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue as from the date when the name of Grantee is registered on the register of members of the Company.

**(m) Lapse of Options**

An Option shall lapse automatically (to the extent not already Vested or in the case of an Option, to the extent not already exercised) on the earliest of:

- (i) in the case of an Option and subject to the terms of the New Scheme, the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraph (k);
- (iii) the expiry of the period referred to in paragraph (k)(v) provided that if any court of competent jurisdiction makes an order the effect of which is to prevent the offeror from acquiring the remaining Shares in the Offer, the period within which Options may be exercised, shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (k)(vi);
- (v) where the Grantee is an employee or Director, the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect being able to pay debts or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or any ground on which an employer would be entitled to terminate his or her employment summarily;
- (vi) the date of the commencement of the winding-up of the Company;
- (vii) the date on which the Grantee commits a breach of paragraph (j); and
- (viii) subject to paragraph (k)(ii) the date the Grantee ceases to be a Participant for any other reason.

**(n) Cancellation of Options**

Any Options granted but not exercised may be cancelled if the Grantee so agrees with or without new Options being granted to the Grantee provided that any new Options granted shall fall within the limits prescribed by the terms of the New Scheme (excluding the cancelled Options), and are otherwise granted in accordance with the terms of the New Scheme.

**(o) Maximum Number of Shares Available for Subscription***(i) Overriding Limited (the “Overriding Limit”)*

Subject to the Listing Rules, the overall limit on the number of Shares subject to Options from time to time under the New Scheme and any other schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time. No Options may be granted under the New Scheme or any other schemes if this will result in this overriding limit being exceeded.

*(ii) Scheme Mandate Limit (the “Scheme Mandate Limit”)*

Subject to the Overriding Limit and to paragraphs (o)(iii) and (o)(iv) below, the total number of Shares available for issue under the Options which may be granted under the New Scheme and any other schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of AGM approving the New Scheme. Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

*(iii) Refreshing of the Scheme Mandate Limit*

Subject to the Overriding Limit and to paragraph (o)(iv), the Company may refresh the Scheme Mandate Limit at any time subject to approval by the shareholders of the Company. However, the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders’ approval (the “Refreshed Limit”) or such other limits imposed by the Stock Exchange. Options previously granted or to be granted under the New Scheme and any other schemes of the Company (including those outstanding, cancelled, exercised or lapsed in accordance with such schemes) will not be counted for the purpose of calculating the Refreshed Limit.

*(iv) Grant of Options Limit*

Subject to the Overriding Limit, the Company may also seek separate approval by the shareholders of the Company for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought.

(v) *Limit for each Participant*

The total number of Shares issued and to be issued upon exercise of Options granted and to be granted to each Grantee (including exercised and outstanding Options) in any twelve (12)-month period shall not exceed 1% of the Shares in issue for the time being (the "Individual Limit"). Any further grant of Options in excess of the Individual Limit must be subject to approval by the shareholders of the Company with such Participant and his, her or its associates abstaining from voting. The number and terms (including the Subscription Price (if relevant)) of the Options to be granted to such Participant must be fixed before the date of the relevant shareholders' meeting.

(vi) *Subject to (i) above and without prejudice to (iii) above, the Company may issue a circular to the Shareholders and seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit or, if applicable, the limit referred to in paragraphs (o)(v) above and (p) below to Participants specifically identified by the Company before such approval is sought.*

**(p) Grant to substantial Shareholders and independent non-executive Director**

Where any Offer proposed to be made to a substantial Shareholder or an independent non-executive Director or any of his, her or its associates would result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted to such person in the twelve (12) month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue at the date of such grant; and
- (ii) having an aggregate value, based on the closing price of the Shares at the Date of Grant, in excess of HK\$5 million,

then such further Offer and any acceptance thereof must be subject to approval of the Shareholders. The Company must send a circular to the Shareholders by the Company explaining the proposed grant of Option, disclosing the number and terms (including the Subscription Price) of the Options proposed to be granted to each Participant which must be fixed before the shareholders' meeting and the date of Board meeting, the recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the Grantee of the Option) as to voting and all information required under the Listing Rules. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided his/her/its intention to do so has been stated in the circular.

**(q) Adjustment to the Subscription Price for Options**

- (i) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company or

otherwise howsoever, other than an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares to which the New Scheme or any Option relates; and/or
- (b) the Subscription Price of the Option; and/or
- (c) the method of exercise of the Option; and/or
- (d) the number of Shares comprised in an Option or which remains comprised in an Option;

or any combination thereof as the Company's independent financial adviser or the Auditors shall certify in writing to the Board to be in their opinion to be fair and reasonable, provided that no such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value or which would change the proportion of the equity share capital for which any Grantee is entitled on Vesting of his Options and/or to subscribe pursuant to the Options held by him or her before such alteration.

- (ii) In respect of any such alterations, other than any made under a capitalisation issue, the Company's independent financial adviser or the auditors shall also confirm to the Board in writing that such alterations satisfy the requirements of Rule 17.03(13) of the Listing Rules and the note thereto.
- (iii) The capacity of the Company's independent financial adviser or the Auditors in this paragraph (q) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

**(r) Interpretation and Administration**

The New Scheme shall be subject to the interpretation and administration of the Board (including the independent non-executive directors) whose decision (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right, among other matters, to (i) interpret and construe the provisions of the New Scheme; (ii) determine the persons who will be offered Options under the New Scheme, and the number of Shares and the subscription price, in relation to such Options, in accordance with the provisions of the New Scheme; (iii) subject to the relevant provisions of the New Scheme, make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it may deem necessary; and (iv) make such other decisions or determinations as it shall deem appropriate for the administration of the New Scheme.

**(s) Alteration of the New Scheme**

The New Scheme may subject to the Listing Rules be altered in any respect by resolution of the Board except that those specific provisions of the New Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants and changes to the authority of the Board in relation to any alteration of the terms of the New Scheme shall not be made, in either case, without the prior approval of shareholders of the Company and provided further that any alteration to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of Options granted must be approved by the shareholders of the Company at a general meeting, except where such alterations take effect automatically under the existing terms of the New Scheme. The New Scheme so altered must comply with Chapter 17 of the Listing Rules, the supplemental guidance issued on 5 September 2005 by the Stock Exchange entitled “Supplemental Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule” and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

**(t) Termination**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event no further Options will be offered or granted and all offers of options then outstanding and not accepted shall ipso facto lapse but in all other respects the provisions of the New Scheme shall remain in full force and effect. Options which are granted during the life of the New Scheme and remain unexpired immediately prior to the termination of the operation of the New Scheme shall remain valid in accordance with their terms of issue after the termination of the New Scheme.

**(u) Present Status of the New Scheme**

As at the date of this circular, no Option has been granted or agreed to be granted pursuant to the New Scheme.

**(v) Condition**

The New Scheme is conditional upon (a) Shareholders’ approval at the AGM; and (b) the Listing Committee granting approval of the listing of and permission to deal in any Shares which may be issued and allotted pursuant to the exercise of options in accordance with the terms and conditions of the New Scheme.

**(w) Compliance with the Listing Rules**

The New Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of the New Scheme and the Listing Rules, the Listing Rules shall prevail.

**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, 22 May 2014 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 of the Company for the year ended 31 December 2013.
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 ZHONGHUI ANDA 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 and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (the “New Scheme”), a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme including but without limitation:
  - (i) to administer the New Scheme under which options will be granted to participants eligible under the New Scheme to subscribe for shares of the Company;

- (ii) to modify and/or amend the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme relating to modification and/or amendment;
  - (iii) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Scheme provided always that the total number of shares subject to the New Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the New Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
  - (iv) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may then be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Scheme; and
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Scheme.”
5. 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.”
6. 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).”

7. 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.”

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

Hong Kong, 16 April 2014

*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, Mr. Li Zhou; the non-executive Directors are Mr. Jook Chun Kui Raymond and Mr. Sun Kuan Chi; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang, Ms. Kung Ching is an alternate director to Mr. Xiang Xin.