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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)**

### **ENTERED INTO A COOPERATIVE FRAMEWORK AGREEMENT IN REACTION TO INVESTMENT IN NAXOS GROUP**

This announcement is made by China Innovation Investment Limited (the “**Company**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of the Directors (the “**Board**”) is pleased to announce that on 4 September 2017 (after trading hours), the Company entered into a cooperative framework agreement (“**Framework Agreement**”) with WiseFuture Global Limited (“**WiseFuture**”) and Mr. Yu He in relation to the jointly investment of Naxos Group.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, WiseFuture and its ultimate beneficial owner Mr. Yu He are independent third parties of the Company and its connected persons (within the meaning of the Listing Rules).

#### **PROFILE OF NAXOS GROUP**

Naxos Group is one of the world's largest classical record group, its Naxos series is one of the world's three best-selling classic brands. Its high-quality recording and interpretation are highly recommended by the international famous music critics and the music industry. It gains high market share in Europe, America and the Pan-Pacific region.

#### **ROFILES OF WISEFUTURE AND MR. YU HE**

WiseFuture, incorporated in British Virgin Islands with limited liability, is a special purpose vehicle setup by Mr. Yu He for acquiring 100% equity interest of Naxos Group (“**Acquisition of Naxos Group**”).

Mr. Yu He is the ultimate beneficial owner of WiseFuture and indirectly holds all issued shares of WiseFuture. Mr. Yu He is also the legal representative and major shareholder of Beijing Kuke Music Co., Ltd. (“**Kuke Music**”) (holding about 32.63% shares of Kuke Music). Kuke Music was listed in New Three Board (China's Share Transfer System for Small and Medium-sized Companies ) in 2016 with stock code 838660. Kuke Music focuses on classical music, and has established long-term strategic cooperative relations with hundreds of foreign top record companies as a classical music digital copyright operator and distribution platform.

## **THE MAIN CONTENT OF FRAMEWORK**

Pursuant to the Framework Agreement, the Company intends to invest not more than US\$15,000,000 in the cooperation with WiseFuture for the 100% equity interest of Naxos Group.

Mr. Yu He agreed to undertake an irrevocable joint and several guarantee liabilities for the planned Acquisition of Naxos Group, WiseFuture’s financial conditions, and any and all responsibilities and obligations of WiseFuture under the Framework Agreement.

The parties agree to carry out works respectively and try their best to sign a formal cooperative investment agreement between the Company and WiseFuture within the next 6 months after signing this Framework Agreement.

## **GENERAL MATTERS**

**This Framework Agreement has prerequisites and is not legally binding. Failure to meet the prerequisites may result in this Framework Agreement not to be fully implemented. The Company will make further announcement in due course. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 4 September 2017

*As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin (Chairman) and Mr. Chan Cheong Yee; the independent non-executive Directors of the Company are Mr. Wang Xin David, Mr. Zang Hong Liang and Mr. Lee Wing Hang. Ms. Kung Ching is an alternate director to Mr. Xiang Xin.*