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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 FRAMEWORK AGREEMENT IN REACTION TO INVESTMENT IN PART OF EQUITY INTERESTS OF POWER SOLUTIONS ENERGY, INC.

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 12 January 2018 (after trading hours), the Company entered into framework agreement (“**Framework Agreement**”) with Power Energy Solutions, Inc. (“**Power Energy**”) in relation to investment in part of equity interests of Power Energy.

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

PROFILE OF POWER ENERGY

Power Energy is a company incorporated under the laws of California, USA on 30 January, 2015. Power Energy has entered into an exclusive, worldwide license with the University of California, Riverside to the inventions for use within the field of Development of Rechargeable Lithium-Ion Batteries with Silicon-Carbon and Tin-Carbon anodes and Lithium Sulfide-Carbon cathodes on 9 February, 2015 which the technology has been filed with U.S. patents in 2016. Power Energy has also independently developed the main equipment for producing Silicon-Carbon and Tin-Carbon anodes and Lithium Sulfide-Carbon cathodes materials.

Power Energy's Lithium-based rechargeable batteries technology has the potential to improve the capacity of state-of-the-art Lithium-Ion batteries up to 80% the most, the gravimetric capacity of Silicon-Carbon composite can reach 1200 mAh/g, which is almost three times higher than that of the current graphite anode. By combining Silicon-Carbon anode and Lithium Sulfide-Carbon cathode, Power Energy delivers a truly innovative rechargeable battery that can improve the capacity of the state-of-the-art Lithium-Ion batteries by 80% to approximately 450 Wh/kg.

THE MAIN CONTENT OF FRAMEWORK

Pursuant to the Framework Agreement, the Company intends to acquire or subscribe part of the equity interests of Power Energy by way of cash payment, issuance of convertible bonds or combine these two payment methods. Specific transaction consideration and terms will be determined based on the Company's due diligence findings and the independent third party's valuation for the Power Energy.

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

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, 12 January 2018

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. Lee Wing Hang and Ms. Zhou Zan. Ms. Kung Ching is an alternate director to Mr. Xiang Xin.