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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)**

### **UPDATE ABOUT FALSE NEWS REPORTS (28)**

Reference is made to the announcements (the “**Announcements**”) of China Innovation Investment Limited (the “**Company**”) about the false news reports dated 24 November 2019, 25 November 2019, 5 December 2019, 12 December 2019, 17 December 2019, 27 December 2019, 30 December 2019, 17 February 2020, 27 February 2020, 2 June 2020, 17 June 2020, 22 June 2020, 1 July 2020, 8 October 2020, 11 October 2020, 9 November 2020, 1 February 2021, 2 February 2021, 5 February 2021, 4 March 2021, 8 April 2021, 11 April 2021, 30 July 2021, 12 November 2021, 26 November 2021, 30 January 2022 and 24 February 2022. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the **Announcements**.

It was announced by the Company on 24 February 2022 that regarding the money laundering case, the Taipei District Court declared that executive director of the Company Mr. Xiang Xin (“**Mr. Xiang**”) and his alternate director, Ms. Kung Ching (“**Ms. Kung**”) were innocent.

On 21 March 2022, Mr. Xiang and Ms. Kung received a notice of appeal, in which **Taipei District Prosecutors Office** (the “**Prosecutor**”) appealed to Taipei High Court against the findings of no guilty of Taipei District Court regarding the money laundering case.

The Prosecutor set out two grounds of appeal as follows:

- 1) It is believed that the Taipei District Court violated the law and order in terms of procedure; and
- 2) In terms of substance, it’s believed that the Taipei District Court shall adopt its prosecution.

Mr. Xiang and Ms. Kung feel puzzled about all such grounds of appeal of the Prosecutor based on the following:-

- 1) In terms of procedure, given that Taipei District Court had responded to the Prosecutor about the required investigations and has given reasons for no investigation in its findings for details, it does not violate the law;
- 2) In terms of substance, the Taipei District Court has discerned the following four facts based on rule of thumb and rule of reasoning, and detailed in the findings the errors of the indictment and the reasons why it is not admissible. Accordingly, it was ruled that this case did not meet the elements of the crime of money laundering, and then Mr. Xiang and Ms. Kung shall be acquitted:
  - i) Mr. Xiang could not have foreseen that Happy New World's solicitation of investment in the Huangshan Real Estate involved illegal fund-raising;
  - ii) Mr. Xiang could not have foreseen that the business of the Guotai Company and its subsidiaries was an act of illegal fund-raising and fraud;
  - iii) Mr. Xiang never negotiated with the Guotai Company and assisted the Guotai Company to obtain illegal share capital by means of money laundering; and
  - iv) Mr. Xiang remitted money to Taiwan and purchased properties, which was never for the purposes of avoiding checks or creating breakpoints.

However, it is regrettable that the Prosecutor disregarded the findings of the Taipei District Court and decided to appeal. Mr. Xiang and Ms. Kung intend to continue to defend their innocence in the coming hearing at the appellate court.

The Company will make further announcements with any material developments in this matter or in accordance with other requirements of the Listing Rules.

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

Hong Kong, 25 March 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. **Xiang Xin** (Chairman) and Mr. **Chan Cheong Yee**; the non-executive director of the Company is Ms. **Chi Yee Shan Esa**, the independent non-executive directors of the Company are Ms. **An Jing**, Ms. **Zhou Zan** and Mr. **Zhang Yu, Clement**. Ms. **Kung Ching** is an alternate director to Mr. **Xiang Xin**.*