

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONVERSION OF CONVERTIBLE BONDS

The Board hereby announces that, on 9 May 2008, the Company receives the Conversion Notice from Harvest Rise Investments Limited (“HRIL”), the sole bondholder of the Convertible Bonds, pursuant to which the Company will allot and issue 800,000,000 new Shares at the conversion price of HK\$0.05 per Conversion Share to HRIL.

After the allotment and issue of the Conversion Shares above, HRIL will hold an equity interest of about 29.47% in the enlarged issued share capital of the Company.

HRIL shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to payment of stamp duty in Hong Kong.

References are made to the announcement of the Company dated 20 November 2007 and the circular of the Company dated 11 December 2007 (the “Circular”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

CONVERSION OF CONVERTIBLE BONDS

On 9 May 2008, the Company receives a conversion notice (the “Conversion Notice”) from Harvest Rise Investments Limited (“HRIL”), the sole bondholder of the Convertible Bonds, to exercise the conversion right attached to the Convertible Bonds for an aggregate principal amount of HK\$40,000,000 at the conversion price of HK\$0.05 per Conversion Share. Accordingly, 800,000,000 new Shares will be issued and allotted to HRIL.

HRIL shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to payment of stamp duty in Hong Kong.

After the allotment and issue of the Conversion Shares above, there will be an aggregate principal amount of HK\$10,000,000 of the Convertible Bonds outstanding.

The following table summarises the effects on the shareholding structure of the Company as a result of the allotment and issue of the Conversion Shares to HRIL:

	Immediately before the issue of the Conversion Shares		Immediately after the issue of the Conversion Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
HRIL (<i>note 1</i>)	723,335,379	16.56	723,335,379	13.99
HRIL (<i>note 2</i>)	—	—	800,000,000	15.48
Subtotal	723,335,379	16.56	1,523,335,379	29.47
Tat Fai Enterprises Ltd. (<i>note 3</i>)	660,383,891	15.12	660,383,891	12.78
Directors (<i>note 4</i>)	28,696,000	0.65	28,696,000	0.55
Public Shareholders	2,956,320,483	67.67	2,956,320,483	57.20
	<u>4,368,735,753</u>	<u>100.00</u>	<u>5,168,735,753</u>	<u>100.00</u>

Note 1: Harvest Rise Investments Limited (“HRIL”) is a private company wholly and beneficially owned by Mr. Xiang Xin. Mr. Xiang is the sole director of HRIL.

Note 2: HRIL shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to payment of stamp duty in Hong Kong.

Note 3: Tat Fai Enterprises Ltd. is a private company wholly and beneficially owned by Mr. Cheung Chung Chit.

Note 4: Excluding Mr. Xiang and his associates.

By order of the Board
China Innovation Investment Limited
Wong Chak Keung
Executive director and Company Secretary

Hong Kong, 9 May 2008

As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin (Chief Executive Officer), Mr. Chan Cheong Yee and Mr. Wong Chak Keung; the non-executive Directors are Mr. Wang Qing Yu (Chairman) and Mr. Ng Kwong Chue Paul; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.