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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)**

### **RESIGNATION OF NON-EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN**

The Board announces that, with effect from 1 August 2009, Mr. Wang will cease to be the non-executive director and the Chairman of the Company and Mr. Xiang, who is now an executive director and Chief Executive Officer of the Company, will replace Mr. Wang as the Chairman.

#### **RESIGNATION OF A NON-EXECUTIVE DIRECTOR AND THE CHAIRMAN**

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Innovation Investment Limited (the “**Company**”) announces that Mr. Wang Qing Yu (“**Mr. Wang**”) has tendered his resignation as a non-executive director and the chairman (the “**Chairman**”) of the Company with effect from 1 August 2009 due to his age, who is now 65, and health reason.

Mr. Wang has confirmed that there is no disagreement with the Board and that there is no matter in relation to his resignation that is needed to be brought to the attention of the shareholders of the Company.

The Board highly appreciates Mr. Wang’s valuable contribution to the Company during his tenure of office, for which it wishes to express its heartfelt gratitude.

The Company would also like to announce that the Board has resolved to appoint Mr. Wang as a member of the steering committee of the Company with effect from 1 August 2009. Under this new role, Mr. Wang will continue to provide the Company with valuable advice on the business strategy of the Company.

## APPOINTMENT OF THE CHAIRMAN

Mr. Xiang Xin (“**Mr. Xiang**”), aged 46, an executive Director and the Chief Executive Officer, joined the Company in January 2003. Mr. Xiang has been elected by the Board to replace Mr. Wang as the Chairman with effect from 1 August 2009.

Mr. Xiang is responsible for overseeing the business operation of the Company and implementing the business strategies and policies as determined by the Board from time to time. After his appointment as the Chairman become effective on 1 August 2009, Mr. Xiang will also be responsible for the management of the Board, and the formulation of corporate strategy and future direction of the Company.

Mr. Xiang has worked for quite a few large organizations in the PRC and engaged in technology project management and corporate strategy research for a long time. He also has many years of experience in project investment and telecommunications network businesses. Mr. Xiang holds a bachelor degree in Science and a master degree in Engineering from Nanjing University of Science & Technology. Mr. Xiang is also an executive director and the chairman of China Trends Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, with effect from 25 February 2008 and 9 May 2009 respectively. Save as disclosed above, Mr. Xiang did not hold directorships in other listed public companies in the last three years.

Mr. Xiang has not entered into any service contract with the Company and is now receiving an annual fixed remuneration of HK\$5,000. He has not been appointed for a specific term and will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

As at the date of this announcement, Mr. Xiang holds 1,523,335,379 ordinary shares of the Company, through Harvest Rise Investments Limited which is a substantial shareholder of the Company, and holds share options to subscribe for 22,040,000 ordinary shares of the Company granted to him under the share option schemes of the Company. Mr. Xiang is also deemed interest in the 1,000,000,000 ordinary shares of the Company, held by Harvest Rise Investments Limited, upon conversion of the convertible bonds (i.e. 200,000,000 ordinary shares of the Company) and exercising in full the subscription rights attached to the warrants (i.e. 800,000,000 ordinary shares of the Company) under the subscription agreement as disclosed in the Company’s announcement dated 20 November 2007. 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 and Mr. Xiang is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information that needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of Mr. Xiang’s appointment as the Chairman.

## **DEVIATION FROM THE CODE ON CORPORATE GOVERNANCE PRACTICES**

Upon the appointment of Mr. Xiang as the Chairman becoming effective on 1 August 2009, Mr. Xiang will perform both of the roles as the Chairman and the Chief Executive Officer of the Company. This deviates from code provision A.2.1 of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules, which requires that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Xiang, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Xiang to hold both positions as the Chairman and the Chief Executive Officer of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

Save as disclosed in this announcement, the Board is not aware of any other matters that it considers necessary to be brought to the attention of the shareholders of the Company in relation to the above resignation and appointment.

By order of the Board  
**China Innovation Investment Limited**  
**Wong Chak Keung**  
*Executive Director and Company secretary*

Hong Kong, 30 July 2009

*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 Director 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.*