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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)

**LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION
AND
TERMS OF REFERENCE OF EXECUTIVE COMMITTEE, AUDIT COMMITTEE,
REMUNERATION COMMITTEE AND NOMINATION COMMITTEE**

The members of the board of directors (“Board”) of China Innovation Investment Limited are as follow:-

Executive Directors

Mr. Xiang Xin (*Chairman and Chief Executive Officer*)

Mr. Chan Cheong Yee

Mr. Li Zhou

Mr. Jook Chun Kui Raymond

Non-executive Directors

Mr. Ng Kwong Chue Paul

Independent Non-executive Directors

Mr. David Wang Xin

Mr. Zang Hong Liang

Mr. Lee Wing Hang

There are 4 Board committees. The table below provides membership information of these committees on which each Board member serves:

Director \ Board Committee	Executive Committee	Audit Committee	Remuneration Committee	Nomination Committee
Mr. Xiang Xin	C			C
Mr. Chan Cheong Yee	M			
Mr. Li Zhou	M			
Mr. Jook Chun Kui Raymond	M			
Mr. Ng Kwong Chue Paul				
Mr. David Wang Xin		C	C	M
Mr. Zang Hong Liang		M	M	M
Mr. Lee Wing Hang		M	M	

Notes:

C Chairman of the relevant Board committees

M Member of the relevant Board committees

Terms of reference of Executive Committee are recorded in Appendix 1.

Terms of reference of Audit Committee are recorded in Appendix 2.

Terms of reference of Remuneration Committee are recorded in Appendix 3.

Terms of reference of Nomination Committee are recorded in Appendix 4.

Hong Kong, 26 March 2012

CHINA INNOVATION INVESTMENT LIMITED
(the “Company”)
TERMS OF REFERENCE OF
EXECUTIVE COMMITTEE
(March 2012)

1) Formation

The Executive Committee was formed on August 2007 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Executive Committee is deal with all matters relating to the daily operations of the Company.

3) Composition

The Executive Committee shall comprise at least three committee members in which are Executive Directors of the Board. The Committee shall nominate one of the members as the Chairman of the Committee.

4) Frequency of meeting

The Executive Committee shall meet as the Company’s business require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two committee members, and each committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The committee members shall also appoint the secretary to the Committee (who should normally be the Company Secretary) from time to time.

The Committee shall invite any director, investment manager or front-line staffs to attend meetings as necessary.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee. Draft and final versions of minutes of the Committee meetings should be sent to all committee members for their comment and records respectively, in both cases within a

reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Authority

- (a) The Committee is authorised by the Board to operate in accordance with its terms of reference. It is authorised to obtain independent professional advice at the Company's expense; and

- (b) The Committee is to be provided with sufficient resources to discharge its duties.

8) Responsibilities

The Committee shall carry out the following responsibilities:

- (a) deal with all matters relating to the daily operations of the Company;

- (b) periodically review, discuss and evaluate the investment performance and other business and operational matters of the Company; and

- (c) make recommendations to the board on the appointment or re-appointment of investment manager.

CHINA INNOVATION INVESTMENT LIMITED
(the “Company”)
TERMS OF REFERENCE OF
AUDIT COMMITTEE
(March 2012)

1) Formation

The Audit Committee was formed on August 2002 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Audit Committee is to assist the Board in fulfilling its overseeing responsibilities for the financial reporting, risk management, evaluation of internal control system and auditing processes. The Audit Committee also ensures that the Company complies with all applicable laws, regulations and the code of conduct policies.

3) Composition

The Audit Committee shall consist of at least three Independent Non-Executive Directors (“INED”) of the Board. The Board shall nominate and appoint committee members and the Committee shall nominate one of the members as the Chairman of the Committee.

4) Frequency of meeting

The Audit Committee shall meet at least twice a year, with an authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two committee members, and each Committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The Committee members shall also appoint the Secretary to the Committee (who should normally be the Company Secretary) from time to time.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee. Draft and final versions of minutes of the Committee meetings should be sent to all committee members of the committee for their comment and records respectively, in both

cases within a reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Responsibilities

The Committee shall carry out the following responsibilities:

Relationship with the Company's auditors

- (a) to be primarily responsible for making recommendations to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, external auditor includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The audit committee should report to the board, identifying and making recommendations on any matters where action or improvement is needed;

Review of the Company's financial information

- (d) to monitor integrity of the Company's financial statements and the annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the board, the committee should focus particularly on: -
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;

- (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (e) Regarding (d) above: -
- (i) members of the Committee should liaise with the board and senior management and the committee must meet, at least twice a year, with the issuer's auditors; and
 - (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the issuer's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

Oversight of the issuer's financial reporting system and internal control procedures

- (f) to review the Company's financial controls, internal control and risk management systems;
- (g) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (h) to consider major investigation findings on internal control matters as delegated by the board or on its own initiative and management's response to these findings;
- (i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (j) to review the Company's financial and accounting policies and practices;
- (k) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the board will provide a timely response to the issues raised in the external auditor's management letter;

(m) to report to the board on the matters in this code provision; and

(n) to consider other topics, as defined by the board.

CHINA INNOVATION INVESTMENT LIMITED
(the “Company”)
TERMS OF REFERENCE OF
REMUNERATION COMMITTEE
(March 2012)

1) Formation

The Remuneration Committee was formed in 2006 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Remuneration Committee is to set the remuneration policy of the executive directors and senior management.

3) Composition

The Remuneration Committee shall comprise of at least three committee members in which majority are Independent Non-Executive Directors (“INED”) of the Board. The Board shall nominate and appoint committee members and select the committee chair as and when required.

4) Frequency of meeting

The Remuneration Committee shall meet at least once a year, with an authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two Committee members, and each Committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The Committee members shall also appoint the secretary to the Committee (who should normally be the Company Secretary) from time to time.

The Committee shall invite any director, executive or other members of management to attend meetings as necessary.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee.

Draft and final versions of minutes of the Committee meetings should be sent to all committee members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Responsibilities

- (a) to make recommendations to the board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive directors and senior management, which include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Company;
- (f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

CHINA INNOVATION INVESTMENT LIMITED
(the “Company”)
TERMS OF REFERENCE OF
NOMINATION COMMITTEE
(March 2012)

1) Formation

The Nomination Committee was formed on August 2007 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Nomination Committee is to make recommendations to the Board on appointment of the directors so as to ensure that all nominations are fair and transparent.

3) Composition

The Nomination Committee shall comprise at least three committee members in which majority are Independent Non-Executive Directors (“INED”) of the Board. The Board shall nominate and appoint committee members and the Committee shall nominate one of the members as the Chairman of the Committee.

4) Frequency of meeting

The Nomination Committee shall meet at least once a year, with an authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two committee members, and each committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The committee members shall also appoint the secretary to the Committee (who should normally be the Company Secretary) from time to time.

The Committee shall invite any director, executive or other members of management to attend meetings as necessary. The Committee shall be supported by the Human Resources Manager.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee. Draft and final versions of minutes of the Committee meetings should be sent to all committee members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Authority

- (a) The Committee is authorised by the Board to operate in accordance with its terms of reference. It is authorised to obtain independent professional advice at the Company's expense as it shall deem appropriate and shall conduct interviews with prospective candidates for nomination; and

- (b) The Committee is to be provided with sufficient resources to discharge its duties.

8) Responsibilities

The Committee shall carry out the following responsibilities:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the issuer's corporate strategy;

- (b) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;

- (c) assess the independence of independent non-executive directors; and

- (d) make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.