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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)

CHANGE MAJOR TRANSACTION TO DISCLOSEABLE TRANSACTION ACQUISITION OF SHARE CAPITAL OF GRAND FAR SKY LIMITED SUPPLEMENTAL AGREEMENT

Reference is made to the announcement made by the Company on 29 August 2012 in relation to the Acquisition.

Following further negotiations, the Company and the Vendor on 18 September 2012 (after trading hours), entered into a supplemental agreement to vary the terms of the Transfer Agreement in respect of the Acquisition, (i) the Company and the Vendor agreed to turn the RMB30,000,000 convertible bonds deposit paid by the Company into 3,000 shares of the Sale Share; and (ii) the Company reserve the right to acquire the remaining 3,300 shares of the Sale Share from the Vendor (or her heirs / beneficiaries) by RMB33,000,000 payable in cash within two years since the date of signing this supplemental agreement. The Company is not required to pay any premium to the Vendor in respect of the option, and the company has unilaterally right to exercise the option.

Reference is made to the announcement made by the Company on 29 August 2012 in relation to the acquisition of 6,300 "B" shares of Grand Far Sky Limited.

Parties: (1) Purchaser : China Innovation Investment Limited
(2) Vendor : Ms. Wang Zhuo

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

SUPPLEMENTAL AGREEMENT

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CONVERTIBLE BONDS PAID FOR THE CONSIDERATION

The convertible bonds is the unlisted convertible bonds issued by Takenaka Industry Company Limited. The principal amount is RMB30,000,000, the period of the convertible bonds is three years, the coupon rate is 10% and the expiration date is on 25 March 2014.

Takenaka Industry Company Limited registered in Hong Kong, principally engaged in investment holding. Takenaka Industry Company Limited directly hold Fujieda Copper Foil Company Limited (a joint venture incorporated in PRC) 65% share capital, which principally engaged in the manufacture and distribution of electronic copper foil material.

INFORMATION ON THE TARGET GROUP

The Target Company was incorporated in Hong Kong on 6 May 2011. According to the unaudited consolidated management accounts of the Target Group prepared under the Hong Kong accounting standard, for fifteen months ended 31 August 2012, the Target Group did not record any turnover, the loss before and after taxation is about HK\$1,705. The shareholders' loan are RMB95,000,000 (RMB70,000,000 received, RMB25,000,000 are receivables). The net asset value of the Target Group would be RMB95,000,000 after the transaction completed.

REASONS FOR THE PROPOSED ACQUISITION

The Company has engaged in long-term equity investment, and is well-equipped with projects related to military and civil dual-used and four new industries (new energy resources, new light resources, new materials, new media).

Grand Far China principally engaged in providing value-added services to A-share listed companies in PRC market and initiating the establishment of private equity funds. Acquiring the Target Company could utilize the advantages of Grand Far China in A-share market and private equity market, enhance investment in the Company's four new industries and increase the opportunity to arbitrage.

Through the cooperation, both parties will make full use of their advantages and experiences in capital operation, through the investment on small and medium four new industries with growth potential, will generate linkage effect that bring sufficient liquidity of cash to enterprises, as well as further enhance the Company's four new industries chain.

LISTING RULES IMPLICATIONS

As the consideration ratio in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

If the Company acquire the remaining 3,300 "B" shares of the Sale Share before 18 September 2014, the Company would act in accordance with the Listing Rules, including and not limited to issue and despatch circular to the Shareholders (if necessary).

Save as set out above, all other terms of the Transfer Agreement remains in force and effect.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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| "Acquisition" | the acquisition of the Sale Share by the Company as contemplated under the Transfer Agreement |
| "Board" | the Board of Directors of the Company |
| "Business Day" | a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| "Company" | China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange |
| "Directors" | the directors of the Company, including the independent non-executive directors |
| "Grand Far China" | 廣遠星空(中國)有限公司(transliterated as Grand Far Sky (China) Limited), a company established in the PRC on 28 August 2012, the registered capital is RMB100 million |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |

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| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities of the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Share” | one ordinary B share (no voting right) of HK\$1.00 in the issued share capital of the Target Company. 6,300 “B” shares representing the 66.3% issued share capital of the Target Company |
| “Share (s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Grand Far Sky Limited, a company incorporated in Hong Kong, whose entire issued share capital is beneficially owned by the Vendor |
| “Target Group” | Target Company and its subsidiaries |
| “Transfer Agreement” | a transfer agreement the Company entered with Vendor on 31 December 2011 in which the Company agreed to acquire and Vendor agreed to sell 6,300 Sale Share |
| “Vendor” | Ms. Wang Zhuo, an independent third party and not a connected person of the Company. Her nationality is Australia. Ms. Wang Zhuo engaged in loan assessment / risk control / financial training for many years, now engaging in trust and investment business in PRC |

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

Hong Kong, 18 September 2012

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee, Mr. Li Zhou and Mr. Jook Chun Kui Raymond; the Non-executive Director is Mr. Ng Kwong Chue Paul; the Independent Non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.