

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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)

CONTINUING CONNECTED TRANSACTION – RENEWAL OF INVESTMENT MANAGEMENT AGREEMENT

RENEWAL OF THE FOURTH SUPPLEMENTAL AGREEMENT

The Board of the Directors of the Company announces that, the Company and China Everbright entered into the Fourth Supplemental Agreement in relation to Investment Management Agreement on 15 May 2015 due to the expiry date of the Second Supplemental Agreement (revised payment terms by Third Supplemental Agreement) is on 19 May 2015.

LISTING RULES IMPLICATIONS

Pursuant to Rule 21.13 of the Listing Rules, investment manager shall be regarded as a connected person of the Company. As such, the entering into of the Fourth Supplemental Agreement would constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The annual cap of investment management fee will be HK\$960,000 per annum and each of the percentage ratios on the annual basis will be less than 5%. The transactions contemplated under the Fourth Supplemental Agreement are therefore fully exempt including exempt from Circulars and shareholder's approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Reference is made to the announcement of the Company dated 23 June 2003, 11 October 2012 and 1 April 2014 (“**Announcements**”) in relation to, among others, the appointment of China Everbright as investment manager of the Company. The Board of the Directors of the Company announces that, the Company and China Everbright entered into the Fourth Supplemental Agreement in relation to Investment Management Agreement on 15 May 2015 due to the expiry date of the Second Supplemental Agreement (revised payment terms by the Third Supplemental Agreement) is on 19 May 2015. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcements.

THE FOURTH SUPPLEMENTAL AGREEMENT

The major terms of the Fourth Supplemental Agreement entered into between the Company and China Everbright is almost the same as the Second Supplemental Agreement (revised payment terms by the Third Supplemental Agreement), the major terms are as follows:

Parties involved: the Company and China Everbright

Duration: from 20 May 2015 to 19 May 2018

Investment management fee: the first portion is fixed portion, the Company pay China Everbright HK\$480,000 per annum (HK\$40,000 per month); the second portion is variable portion, the Company pay China Everbright HK\$480,000 per annum and was liable only when the audited profit before tax of each financial year of the Company reaches HK\$480,000 and payable within one month after the publication of the Company's final audited result for the year.

Annual cap for the investment management fee: HK\$960,000

REASON FOR ENTERING INTO THE FOURTH SUPPLEMENTAL AGREEMENT

The Company is an investment company listed under Chapter 21 of the Listing Rules on the Stock Exchange and aims to achieve medium-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC. Since 2003, the Company has appointed China Everbright to provide investment management services to the Company.

The Fourth Supplemental Agreement was entered into after arm's length negotiations with reference to the relevant fees chargeable by other investment managers and also the investment portfolio of the Company. Furthermore, the Fourth Supplemental Agreement set a cap on the maximum investment management fee chargeable by China Everbright and the Directors are of the view that such cap is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors are of the opinion that China Everbright will continue to have the necessary expertise in providing the investment management services to the Company in the future and the terms and conditions of the Fourth Supplemental Agreement are fair and reasonable and in normal commercial terms. The Directors consider that the execution of the Fourth Supplemental Agreement is fair and reasonable and in the best interests of the Company and the Shareholders as a whole, on normal commercial terms and in the ordinary and usual course of business of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 21.13 of the Listing Rules, investment manager shall be regarded as a connected person of the Company. As such, the entering into of the Fourth Supplemental Agreement would constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The annual cap of investment management fee will be HK\$960,000 per annum and each of the percentage ratios on the annual basis will be less than 5%. The transactions contemplated under the Fourth Supplemental Agreement are therefore fully exempt including exempt from Circulars and shareholder's approval requirements pursuant to Rule 14A.76 of the Listing Rules.

DEFINITIONS

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

“Investment Management Agreement”	the investment management agreement entered into between the Company and China Everbright dated 23 May 2003 in relation to the appointment of China Everbright as the investment manager of the Company
“Fourth Supplemental Agreement”	the supplemental agreement dated 15 May 2015 entered into between the Company and China Everbright in respect of certain amendments to the terms of the Agreement
“Board”	the board of Directors
“China Everbright”	China Everbright Securities (HK) Limited, a
“Company”	China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“First Supplemental Agreement”	the supplemental agreement dated 23 October 2007 entered into between the Company and China Everbright in respect of certain amendments to the terms of the Agreement
“Fourth Supplemental Agreement”	the supplemental agreement dated 15 May 2015 entered into between the Company and China Everbright in respect of certain amendments to the terms of the Agreement
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Second Supplemental Agreement”	the supplemental agreement dated 28 February 2012 entered into between the Company and China Everbright in respect of certain amendments to the terms of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Supplemental Agreement”	the supplemental agreement dated 29 December 2013 entered into between the Company and China Everbright in respect of certain amendments to the terms of the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 15 May 2015

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Li Zhou; the Non-executive Director is Mr. Sun Kuan Chi and Mr. Jook Chun Kui Raymond; the Independent Non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang; Ms. Kung Ching is an alternate director to Mr. Xiang Xin and Mr. Chen Banyan is an alternate director to Mr. Li Zhou.