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CHINA INNOVATION INVESTMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNOUNCEMENT PURSUANT TO RULE 3.2, RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION

Reference is made to the announcement made by the Company on 1 July 2015 in relation to the announcement pursuant to Rule 3.2, Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and Inside Information. (“**The Announcement**”).

The compliance with the Rule 12.1 of the Takeovers Code

The Announcement published by the Company on 1 July 2015 did not comply with the Rule 12.1 of the Takeovers Code in relation to the requirement of filing documents to the Executive (as defined in the Takeovers Code) for comment prior to release or publication. The reasons are (i) the matters disclosed in The Announcement happened in the evening on 1 July 2015 (Hong Kong statutory public holiday); (ii) the Company wished to disclose the information to the market before the commencement of next day (2 July 2015) morning trading session as soon as possible; and (iii) time is limited for the Company to seek legal advice, therefore, the Company did not promptly note that The Announcement was required to be filed to the Executive (as defined in the Takeovers Code) for comment in accordance with the Rule 12.1 of the Takeovers Code prior to release or publication. The Company has consulted the listing division of the Stock Exchange of Hong Kong Limited (the “**Listing Division**”) before the commencement of morning trading session on 2 July 2015. The Company has unintentionally violated the Rule 12.1 of the Takeovers Code as a result.

The Company would like to state that this clarification announcement has complied with the requirement of filing documents to the Executive for comment prior publication in accordance with Rule 12.1 of the Takeovers Code and the Executive has confirmed that it has no further comments thereon.

Supplement information in relation to The Announcement

On 1 July 2015, the Board received a notice from a potential investor (the “**Potential Investor**”) who has an intention to subscribe large amount of new shares and become the controlling

shareholder of the Company. It will lead to a possible mandatory general offer if the Potential Investor succeeds in subscribing large amount of new shares and becoming the controlling shareholder of the Company.

The Potential Investor has the intention to subscribe new shares and become the controlling shareholder of the Company instead of acquiring the existing issued shares of the Company and the Board believe that the Potential Investor has the ability (included but not limited to financial ability and shareholder's background) to invest in the Company, therefore, the situation fulfill the requirements to make an announcement set out under Rule 3.2 of the Takeovers Code.

Further discussion has been made between the directors and the Potential Investor on 7 July 2015. As at the date of this announcement, the Potential Investor has not yet officially provided further information such as subscription amount, number of shares or subscription price etc.. Another announcement will be made if any further information obtained by the Company.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until any announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities) of the Company are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, as at the date of The Announcement (1 July 2015), the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised (i) a total of 8,484,385,753 Shares in issue; and (ii) a total of 586,000,000 outstanding options granted under the share option schemes of the Company with rights to subscribe for a total of 586,000,000 Shares. Also, as at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised (i) a total of 8,504,385,753 Shares in issue; and (ii) a total of 566,000,000 outstanding options granted under the share option schemes of the Company with rights to subscribe for a total of 566,000,000 Shares. Save for the aforesaid, the Company has no other relevant securities (as defined in the Note 4 to Rule 22 of the Takeovers Code) as at the date of The Announcement and this announcement.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and others persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any

relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Responsibility Statement

All the directors of the Company issuing The Announcement and this announcement jointly and severally accept full responsibility for the accuracy of information contained in The Announcement and this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in The Announcement and this announcement have been arrived at after due and careful consideration and there are no other facts not contained in The Announcement and this announcement, the omission of which would make any statement in The Announcement and this announcement misleading.

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

Hong Kong, 13 July 2015

As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee, Mr. Li Zhou; the Non-executive Directors are Mr. Sun Kuan Chi, Mr. Jook Chun Kui Raymond, Mr. KUK Peter Z, Mr. WANG Wei and Mr. GE Ming; 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.