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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)**

### **FRAMEWORK AGREEMENT IN RELATION TO THE ACQUISITION IN CGE**

The Board is pleased to announce that after trading hours of 25 November 2009, the Company entered into a Framework Agreement with the Proposed Vendor pursuant to which the Company intends to acquire and the Proposed Vendor intends to sell a great portion of the issued share capital of CGE, with the voting right to be withdrawn, at a consideration of not exceeding HK\$23,000,000, which is currently expected to be satisfied by the issue of convertible bonds by the Company.

Further announcement will be made by the Company as to the progress of the Proposed Acquisition.

**As the subject transaction may or may not proceed, Shareholders and investors of the Company should exercise cautions when dealings in the securities of the Company.**

#### **Framework Agreement**

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To the best knowledge of the Directors after making all reasonable enquires, the Proposed Vendor and the Shareholders of the Proposed Vendor are third parties independent of the Company and its connected persons.

The terms of the Proposed Acquisition are subject to further negotiation and the signing of a formal sale and purchase agreement is targeted within six months after the date of signing the Framework Agreement (the “**Period**”) (or such longer period as extended by mutual agreement between the parties). The signing of the formal sale and purchase agreement is conditional upon:

1. The Proposed Vendor holds the entire issued share capital of CGE after having completed all necessary formalities relating to the reorganization of share capital in CGE ;
2. Due diligence review on CGE and its subsidiary having been completed to the satisfaction of the Company ; and
3. The Company having obtained all necessary approvals in connection with the Proposed Acquisition including the approval of the shareholders of the Company and/or the Stock Exchange, if applicable.

The business of the Proposed Acquisition will provide positive development for the Company towards the civil and military dual-application of new light source business. The Company will conduct due diligence reviews on CGE and its subsidiary. Under the Framework Agreement, the Proposed Vendor has agreed to grant an exclusive investment right to the Company during the Period. In addition, immediately before the completion of the formal sale and purchase agreement, save for the rights entitled by the Company under the Framework Agreement, the shareholding held in CGE (or other relevant company(ies) after completion of the said reorganisation) by the Proposed Vendor will not be subject to any lien, encumbrance or other third party right.

### **Information of CGE**

CGE is a company incorporated in Hong Kong with limited liability and holds the entire equity interest in Creative Galaxy Electric (Shenzhen) Co., Ltd., a company established in the PRC. It mainly engages in research and development, production and sales of various series of the civil and military dual-application of LED and LCD backlight power supply, built-in power supply related optoelectronic products, electronic devices and provision of related technical services.

### **General**

This announcement is intended to set out the salient features of the Framework Agreement. In the event of the consummation of the transaction contemplated under the Framework Agreement, the subject transaction may constitute a notifiable transaction for the Company under Rule 14.06 of the Listing Rules. Further announcement(s) will be made by the Company in respect of any material development on the possible transaction and actions which will be taken to comply with the disclosure and/or approval requirements under the Listing Rules.

**As the subject transaction may or may not proceed, Shareholders and investors of the Company**

**should exercise cautions when dealings in the securities of the Company.**

## **Definitions**

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

“associates”	has the same meaning as defined in the Listing Rules
“CGE”	C.G.E. (HK) Co., Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Company”	China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the non-legal binding framework agreement dated 25 November 2008 entered into between the Company and the Proposed Vendor on the possible acquisition of a great portion of the issued share capital of CGE
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s), or in case of companies, their ultimate beneficial owners(s), who is/are independent of and not connected with the Company and its subsidiaries and its connected persons or in the case of a corporation (the ultimate beneficial owner) its respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Proposed Acquisition”	The Company intends to acquire a great portion of the issued share capital of CGE, with the voting right to be withdrawn, at a consideration of not exceeding HK\$23,000,000, subject to the signing (and completion) of a formal sale and purchase agreement
“Proposed Vendor”	Kenon Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary shares of the Company of HK\$0.01 each in the share

capital of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

Hong Kong, 25 November 2009

*As at the date of this announcement, the Executive Directors of the Company are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; 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.*