

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.



INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

DISCLOSEABLE TRANSACTION

DISPOSAL OF APPROXIMATELY 19.19% INTERESTS IN GREAT CHINA MEDIA HOLDINGS LIMITED; AND TERMINATION OF THE PLACING

THE DISPOSAL

On 3 May 2010 (after trading hours), Shiny Step, a wholly-owned subsidiary of the Company, the Purchaser and the Guarantor entered into the Sale and Purchase Agreement pursuant to which Shiny Step has agreed to sell and the Purchaser has agreed to acquire the Sale Shares for the Consideration of HK\$43,000,000 which will be settled partly in cash and partly by the issue of the Promissory Notes by the Purchaser. The Sale Shares represent approximately 19.19% of the issued share capital of Great China Media.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser, its ultimate beneficial owners and the Guarantor is a third party independent of the Company and connected persons of the Company.

As the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

* For identification purpose only

TERMINATION OF THE PLACING

On 3 May 2010 (after trading hours), the Company and the Placing Agent entered into a termination agreement pursuant to which the parties agreed to terminate the placing agreement dated 2 October 2009 (as supplemented by a supplemental agreement dated 13 January 2010) in relation to the Placing.

THE SALE AND PURCHASE AGREEMENT

On 3 May 2010 (after trading hours), Shiny Step, a wholly-owned subsidiary of the Company, the Purchaser and the Guarantor entered into the Sale and Purchase Agreement pursuant to which Shiny Step has agreed to sell the Sale Shares and the Purchaser has agreed to acquire the Sale Shares in accordance with and subject to the following terms and conditions:

Date:

3 May 2010

Parties:

Seller: Shiny Step, a wholly-owned subsidiary of the Company.

Purchaser: Duncan Capital Limited, a limited company incorporated in the British Virgin Islands. Duncan Capital Limited is principally engaged in investment holding.

Guarantor: Mr. Shek Ka Sun, Andy, a director of the Purchaser.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Purchaser, its ultimate beneficial owners and the Guarantor is a third party independent of the Company and its connected persons.

Assets to be disposed of:

Shiny Step will sell the Sale Shares (representing approximately 19.19% of the issued share capital of Great China Media) to the Purchaser.

Consideration:

The Consideration for the Sale Shares is HK\$43,000,000, which shall be satisfied in the following manner at Completion:

- (i) as to HK\$2,150,000 to be paid in cash by the Purchaser to Shiny Step;
- (ii) as to HK\$2,150,000 to be satisfied by way of the issue of the First Promissory Note by the Purchaser; and
- (iii) as to HK\$38,700,000 to be satisfied by way of the issue of the Second Promissory Note by the Purchaser.

The Consideration was determined after arm's length negotiation with reference to the acquisition cost of the Sale Shares paid by Shiny Step in the amount of HK\$43,384,000 as announced by the Company on 12 December 2008.

Guarantee:

The Guarantor guarantees to Shiny Step the full and timely performance of the Purchaser's obligations under the Sale and Purchase Agreement and the Promissory Notes.

Completion:

Completion is expected to take place on or before the seventh business day after the date of the Sale and Purchase Agreement or at such other day as agreed between the parties.

INFORMATION ON THE DISPOSED GROUP

Great China Media is a company incorporated in the British Virgin Islands on 16 February 2007.

The major operating subsidiaries within the Disposed Group are China Outdoor Media Holdings Limited and TDI Transportation Displays International Limited, which were incorporated in Hong Kong as limited companies and are beneficially owned as to 100% by Great China Media. As at the date of this announcement, China Outdoor Media Holdings Limited and TDI Transportation Displays International Limited are principally engaged in the business of the provision of advertising related consultation services.

The unaudited consolidated net asset value of the Disposed Group as at 30 September 2009 was HK\$19,615,000.

The unaudited consolidated profit before and after taxation of the Disposed Group for the period commencing on 16 February 2007, being the date of incorporation of Great China Media, to 30 September 2008 and for the financial year ended 30 September 2009 were:

	For the period from 16 February 2007 to 30 September 2008 (Unaudited) HK\$'000	For the financial year ended 30 September 2009 (Unaudited) HK\$'000
Profit before taxation	1,074,000	14,821,000
Profit after taxation	613,000	12,244,000

THE REASONS FOR, AND THE BENEFITS OF, THE DISPOSAL

The Group is a software application solutions provider engaged in the provision of internet design for residential communities and e-property management software application consulting services based on the application of i-Panel and its integrated hardware and software in the PRC. The Group has recently completed the acquisition of a majority interest in a company that manages gold mine in the PRC, with an aim to broaden its income stream and improve profitability.

As stated in the 2009 annual report of the Company, it has been the corporate strategy of the Group to strengthen its existing business, and at the same time identifying and capitalizing new opportunities to achieve the financial growth for the Company and to maximize Shareholders' value. Whilst the Group has been actively identifying and capitalizing new opportunities, the Group has also been reviewing and evaluating its existing business streams so as to enable the Group to react quickly and implement appropriate steps in face of new challenges in the volatile global economic environment.

The Board anticipates that the business of provision of advertising related consultation services will be subject to fierce competition and thus the Disposal will enable the Group to preserve more management efforts and financial resources to focus on existing businesses, particularly exploitation and excavation of gold mines managed by the Group and developing new software solutions to ensure efficient and safe exploitation and excavation tailor-made for gold mines in the PRC which the Group considers will have higher growth potential.

Taking into account the benefits associated with the Disposal as stated above, the Directors are of the view that entering into the Sale and Purchase agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company will no longer have any equity interests in the Disposed Group. It is expected that a loss of approximately HK\$158,000, being the difference between the Consideration and the Group's share of the unaudited net assets of the Disposed Group as at 31 December 2009, would arise as a result of the Disposal.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal of approximately HK\$42,750,000 will be used for general working capital purposes.

GEM LISTING RULES IMPLICATION

As the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

TERMINATION OF THE PLACING

Reference is made to the announcements of the Company dated 2 October 2009 and 13 January 2010 in relation to, among other matters, the Placing.

On 3 May 2010 (after trading hours), the Company and the Placing Agent entered into a termination agreement pursuant to which the parties agreed to terminate the placing agreement dated 2 October 2009 (as supplemented by a supplemental agreement dated 13 January 2010) in relation to the Placing.

DEFINITIONS

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

“Board”	the Board of Directors;
“Company”	Inno-Tech Holdings Limited (匯創控股有限公司)*, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM;
“Completion”	completion of the Sale and Purchase Agreement;
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Consideration”	the consideration for the Disposal;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal by Shiny Step of the Sale Shares to the Purchaser pursuant to terms and conditions of the Sale and Purchase Agreement;
“Disposed Group”	Great China Media and its subsidiaries;
“First Promissory Note”	a non-interest bearing promissory note to be executed by the Purchaser in favour of Shiny Step in the principal amount of HK\$2,150,000 maturing on 3 August 2010;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Great China Media”	Great China Media Holdings Limited (大中華媒體控股有限公司), a company incorporated in the British Virgin Islands and is owned as to approximately 19.19% by Shiny Step as at the date of this announcement;

“Guarantor”	Mr. Shek Ka Sun, Andy;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Placing”	the placing of a maximum of 200,000,000 new Shares in four tranches of not less than 50,000,000 new Shares each;
“Placing Agent”	President Securities (Hong Kong) Limited, a licensed corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“PRC”	The People’s Republic of China which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“Promissory Notes”	the First Promissory Note and the Second Promissory Note;
“Purchaser”	Duncan Capital Limited, an investment holding company incorporated in the British Virgin Islands;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3 May 2010 entered into between Shiny Step, the Purchaser and the Guarantor in relation to the Disposal;
“Sale Shares”	238 shares in the share capital of Great China Media, representing approximately 19.19% of the issued share capital of Great China Media;
“Second Promissory Note”	a non-interest bearing promissory note to be executed by the Purchaser in favour of Shiny Step in the principal amount of HK\$38,700,000 maturing on 3 May 2011;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;

“Shareholder(s)”	holder(s) of Share(s);
“Shiny Step”	Shiny Step Investments Limited, a company incorporated in the British Virgin Islands and is wholly owned by the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board of
INNO-TECH HOLDINGS LIMITED
Wong Yuen Yee
Chairman

Hong Kong, 3 May 2010.

As at the date of this announcement, the Board comprises four executive Directors, namely, Ms. Wong Yuen Yee (Chairman), Mr. Wong Yao Wing, Robert (Deputy Chairman), Mr. Lam Shiu San and Mr. Ang Wing Fung; and three independent non-executive Directors, namely Mr. Cheng King Hung, Ms. Wong On Yee and Mr. Chu Woon Yuen.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.

This announcement, for which the directors of Inno-Tech Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Inno-Tech Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.