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INNO-TECH HOLDINGS LIMITED
匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

**PROPOSED ACQUISITION OF
EQUITY INTERESTS IN A COMPANY ENGAGING IN
TELEVISION AND OUTDOOR ADVERTISING BUSINESS IN
THE PEOPLE'S REPUBLIC OF CHINA**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

On 7 December 2010, the Company and the Vendor entered into a non-legally binding letter of intent in relation to the sale and purchase of the entire issued share capital of the Target Company. Pursuant to the Letter of Intent, the Company shall undertake a due diligence review of the financial and legal affairs of the Target Group during the period commencing from the date of the Letter of Intent up to 12:00 midnight on the 30th day from the date of the Letter of Intent (both days inclusive) (or such later date as the parties may agree in writing). The parties shall endeavour to negotiate in good faith and sign the Definitive Agreement as soon as possible upon completion of the Due Diligence Review, and in any event no later than 15 days after the Company notifies the Vendor that it is satisfied with the result of the Due Diligence Review.

The Target Group is engaged in the business of television and outdoor advertising in the PRC.

The Proposed Acquisition, if materialises, will constitute a notifiable transaction of the Company under the GEM Listing Rules. Further announcement(s) in relation to the Proposed Acquisition in compliance with the GEM Listing Rules will be issued as and when appropriate.

The Letter of Intent is non-legally binding and the Proposed Acquisition is subject to completion of the Due Diligence Review and negotiation and finalisation of the Definitive Agreement. The Proposed Acquisition may or may not be consummated. Shareholders and investing public should exercise caution in dealing in the shares of the Company.

* For identification purpose only

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THE LETTER OF INTENT

On 7 December 2010, the Company and the Vendor entered into the Letter of Intent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are independent third parties, not connected with the Company and the connected persons of the Company (as defined in the GEM Listing Rules).

Asset to be acquired

Pursuant to the Letter of Intent, it is proposed that the Company will acquire from the Vendor and the Vendor shall sell and/or procure the sale of the entire issued share capital of the Target Company.

The Target Company is an investment holding company which holds interest in the PRC Companies through the WFOE. The Target Group is engaged in the business of television and outdoor advertising in the PRC.

Consideration

The consideration for the sale and purchase of the Sale Shares is to be determined after arm's length negotiation between the parties and to be satisfied in the manner as to be provided in the Definitive Agreement.

Due Diligence Review

The Company shall during the period commencing immediately after the signing of the Letter of Intent up to 12:00 midnight on the 30th day from the date of the Letter of Intent (both days inclusive) (or such later date as the parties may agree in writing) undertake a due diligence review of the financial and legal affairs of the Target Group.

The Company shall notify the Vendor in writing whether or not it is satisfied with the result of the Due Diligence Review.

Definitive Agreement

The parties should endeavour to negotiate in good faith and sign the Definitive Agreement as soon as possible upon completion of the Due Diligence Review, and in any event no later than 15 days after the Company notifies the Vendor that it is satisfied with the result of the Due Diligence Review.

Conditions precedent

The completion of the Proposed Acquisition will be conditional upon fulfilment of the conditions precedent set out in the Definitive Agreement, which include, among others:

- (a) completion of the Due Diligence Review to the satisfaction of the Company;
- (b) compliance by the Company of the requirements of the GEM Listing Rules, including but not limited to publication of an announcement in relation to the Proposed Acquisition, approval of the Definitive Agreement and transactions contemplated thereunder by the Shareholders;
- (c) where applicable, the grant of the permission to list and to deal in the shares to be issued by the Company in satisfaction of the consideration for the Proposed Acquisition in full or in part, by the Stock Exchange;
- (d) issuance of a legal opinion by a firm of lawyers qualified to practice law in the PRC to the satisfaction of the Company in relation to the due and valid establishment of the PRC Companies and their continue existence, the legality of the businesses of each of the PRC Companies and the validity of the licences and permits required and necessary for the operations of the PRC Companies;
- (e) all warranties and representations given by the Vendor remain true and correct and not misleading at all times between the date of the Definitive Agreement and the date of completion; and
- (f) other conditions precedent necessary to effect the Proposed Acquisition or as are customary in similar types of transactions.

Exclusivity

In the Letter of Intent, the Vendor undertakes that it will not enter into discussions, negotiations, agreement (verbal or written) or understanding to sell or dispose of or otherwise encumber the Sale Shares to another party during the Due Diligence Review Period. In the event, the Company indicates its intention to proceed with the Definitive Agreement prior to or by the end of the Due Diligence Review Period, the exclusivity period shall automatically be extended up to the date of the signing of the Definitive Agreement.

Non-legally binding nature of the Letter of Intent

The Letter of Intent is non-legally binding, save for the provisions relating to, among others, exclusivity and confidentiality.

Termination

The Letter of Intent shall be terminated upon the occurrence of any of the following:

- (a) the parties mutually agree in writing to terminate the Letter of Intent;
- (b) the Long Stop Date unless the relevant parties entered into the Definitive Agreement; or
- (c) the execution of the Definitive Agreement.

Except as otherwise provided in the Letter of Intent, neither party shall be liable to the other party in the event the Proposed Acquisition is not consummated or the Letter of Intent is terminated pursuant to the terms thereof.

GEM LISTING RULES IMPLICATIONS

The Proposed Acquisition, if it materialises, will constitute a notifiable transaction of the Company under the GEM Listing Rules. Further announcement(s) in relation to the Proposed Acquisition in compliance with the GEM Listing Rules will be issued as and when appropriate.

The Letter of Intent is non-legally binding and the Proposed Acquisition is subject to completion of the Due Diligence Review and negotiation and finalisation of the Definitive Agreement. The Proposed Acquisition may or may not be consummated. Shareholders and investing public should exercise caution in dealing in the shares of the Company.

DEFINITIONS

The following terms shall have the following meanings in this announcement unless the context otherwise requires:

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| “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 Growth Enterprise Market of the Stock Exchange; |

“Definitive Agreement”	the formal and legally binding agreement to be entered into between the Company and the Vendor and other beneficial owner(s) of the Target Company in relation to the Proposed Acquisition;
“Director(s)”	director(s) of the Company;
“Due Diligence Review”	the due diligence review of the financial and legal affairs of the Target Group to be undertaken by the Company during the Due Diligence Review Period;
“Due Diligence Review Period”	the period commencing from the date of the Letter of Intent up to 12:00 midnight on the 30th day from the date of the Letter of Intent (both days inclusive) (or such later date as agreed by the parties in writing);
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Letter of Intent”	the non-legally binding letter of intent dated 7 December 2010 and entered into between the Company and the Vendor in relation to the Proposed Acquisition;
“Long Stop Date”	the 15th day after the Company notifies the Vendor that it is satisfied with the result of the Due Diligence Review;
“PRC”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
“PRC Companies”	various companies established in the PRC in which the WFOE holds an interest;
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company;
“Sale Shares”	the entire issued share capital of the Target Company;
“Shareholder(s)”	holder(s) of shares of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Redgate Ventures Limited, a company incorporated in the British Virgin Islands with limited liability;
“Target Group”	the Target Company and its subsidiaries;
“Vendor”	Media Chief Limited; and
“WFOE”	Redgate Interactive Advertising (Beijing) Co, Ltd., a wholly foreign owned enterprise established in the PRC and indirectly wholly-owned by the Target Company.

By order of the Board
Inno-Tech Holdings Limited
Wong Yuen Yee
Chairman

Hong Kong, 7 December 2010

As at the date of this announcement, the Board comprises three executive Directors, namely, Ms. Wong Yuen Yee (Chairman), Mr. Wong Yao Wing, Robert (Deputy Chairman) and Mr. Ang Wing Fung; and three independent non-executive Directors, namely Ms. Au Yuk Kit, 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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.