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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)

**MAJOR TRANSACTION
POSSIBLE FINANCIAL ASSISTANCE
EXTENSION OF PAYMENT BY PROMISSORY NOTE**

Reference is made to the Company's announcements dated 3 May 2010 and 4 May 2011 ("Announcements") relating to the Disposal. Terms used herein shall have the same meaning as defined in the Announcements unless otherwise stated.

It was disclosed in the Announcements that the parties to the Sale and Purchase Agreement entered into the Supplemental Agreement dated 4 May 2011 whereby it was agreed that the Purchaser, Duncan Capital Limited, shall issue a third promissory note ("Third Promissory Note") in the sum of HK\$38.7 million in favour of Shiny Step in replacement of the Second Promissory Note to satisfy part of the consideration under the Sale and Purchase Agreement. The Third Promissory Note shall mature on 3 May 2012 and carry interest at the rate of 3% per annum.

The Company considered that the Supplemental Agreement constituted an amendment to the terms of the Disposal and should not be regarded as a separate transaction in itself nor did it amount to financial assistance to the Purchaser. However the Company received enquiry from the Stock Exchange concerning the nature of the Supplemental Agreement. The Stock Exchange was of the view that the Supplemental Agreement and the issue of the Third Promissory Note might constitute financial assistance by the Company to the Purchaser. As the relevant percentage under the GEM Listing Rules exceeds 25%, such transaction might constitute a major transaction for the Company and subject to the reporting, announcement and Shareholders approval requirements under the GEM Listing Rules.

* *For identification purpose only*

In order to avoid any doubt and possible breach of the GEM Listing Rules, the parties to the Sale and Purchase Agreement has on 12 May 2011 entered into an addendum (“Addendum”) to the Supplemental Agreement whereby the parties thereto agreed and confirmed that the Supplemental Agreement and the Third Promissory Note issued pursuant thereto shall be conditional upon the Shareholders of the Company passing an ordinary resolution at a general meeting approving the Supplemental Agreement and the issue of the Third Promissory Note in accordance with the GEM Listing Rules. It was further confirmed that the Supplemental Agreement and the Third Promissory Note shall cease to have any effect unless and until the Shareholders approval has been obtained.

POSSIBLE FINANCIAL ASSISTANCE

The proposed Supplemental Agreement and Third Promissory Note constitute possible financial assistance by the Company to the Purchaser.

The Supplemental Agreement was dated 4 May 2011 and made between Shiny Step Investments Limited, Duncan Capital Limited and Shek Ka Sun Andy. The Addendum thereto was dated 12 May 2011 and made between the same parties. The Third Promissory Note will be issued by Duncan Capital Limited in favour of Shiny Step Investments Limited in the sum of HK\$38.7 million maturing on 3 May 2012 and carry interest at the rate of 3% per annum. The Guarantor guarantees to Shiny Step the performance of the Purchaser’s obligations under the Supplemental Agreement and the Third Promissory Note.

The Group is principally engaged in development and sale of intelligent home electronic application system and outdoor advertising business.

The Purchaser is principally engaged in investment holding. To the best knowledge of the Directors, each of the Purchaser, its ultimate beneficial owner and the Guarantor is a third party independent of and not connected with the Company and its connected persons.

The terms of the Supplemental Agreement and Third Promissory Note was determined after arm’s length negotiation between the Company and the Purchaser. The Second Promissory Note in the sum of HK\$38.7 million was interest free and became matured on 3 May 2011. The proposed extension of payment was requested by the Purchaser. The Directors considered that the proposed extension of payment by way of the Third Promissory Note which is interest bearing is fair and reasonable and in the interest of the Company and Shareholders as a whole. The Directors confirmed that the proposed extension of payment will not have any material adverse effect on the financial position of the Group.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the GEM Listing Rules for the possible financial assistance under the Supplemental Agreement exceeded 25%, the Supplemental Agreement would constitute a major transaction for the Company under Chapter 19 of the GEM Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

A circular containing, among other things, details of the Supplemental Agreement and Addendum and notice of the SGM is expected to be despatched to the Shareholders on or before 2 June 2011.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the board of Directors
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Company”	Inno-Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“Directors”	the directors of the Company
“Disposal”	the disposal by Shiny Step of 238 shares in the share capital of Great China Media Holdings Limited to the Purchaser pursuant to terms and conditions of the Sale and Purchase Agreement;
“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
“Guarantor”	Mr Shek Ka Sun, Andy
“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
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder
“Shareholders”	holders of ordinary shares 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 of
INNO-TECH HOLDINGS LIMITED
Chen Chuan
Chairman

Hong Kong, 12 May 2011

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Chen Chuan (Chairman) and Mr. Ang Wing Fung; and three independent non-executive Directors, namely Ms. Wong On Yee, Ms. Au Yuk Kit and Ms. Lu Di.

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.