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INNOMAXX BIOTECHNOLOGY GROUP LIMITED

創富生物科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

**MAJOR TRANSACTION:
ACQUISITION OF 57% EQUITY INTERESTS IN
LEAD SUN INVESTMENTS LIMITED,
TRANSFER OF THE ENTIRE EQUITY INTEREST IN BVI PROPERTY
COMPANY
TO THE FIRST VENDOR,
INCREASE IN AUTHORISED SHARE CAPITAL
AND
RESUMPTION OF TRADING**

Financial adviser to INNOMAXX Biotechnology Group Limited



GOLDBOND CAPITAL (ASIA) LIMITED

Subsequent to the entering into of the Provisional Acquisition Agreement as set out in the 6 July Announcement, on 12 July 2006, the Company entered into the Formal Acquisition Agreement with the Vendors and the Guarantors, pursuant to which (a) the Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire, 57% equity interests in Lead Sun and the Sale Debts at the Total Consideration in the sum of HK\$812.592 million; and (b) the Guarantors have agreed to guarantee the performance of the Vendors' obligations under the Formal Acquisition Agreement.

The Total Consideration is to be satisfied (i) as to HK\$432.592 million by the issue of the Consideration Shares by the Company to the Remaining Vendors; (ii) as to HK\$175 million by the transfer of the entire interest in BVI Property Company by the Company to the First Vendor; and (iii) as to the remaining balance of HK\$205 million in cash by the Company to the Vendors.

The Lead Sun Group is principally engaged in rutile related business. Rutile is the raw material for titanium tetrachloride and titanium sponge. Titanium has a wide range of applications including aerospace, military, industrial and consumer products.

Based on the relevant percentage ratios, the Acquisition and the transfer of BVI Property Company to the First Vendor each constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore required to be made conditional on Shareholders' approval pursuant to Rule 14.40 of the Listing Rules.

To facilitate the issue of the Consideration Shares and the Placing Shares, the Company also proposes to increase its authorised share capital from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares. The increase in the authorised share capital of the Company will be proposed as a separate resolution at the SGM and will be conditional upon the approval of the Acquisition.

* For identification purpose only

A circular containing, among other things, further details of the Acquisition, the transfer of interests in BVI Property Company to the First Vendor and the proposed increase in authorised share capital of the Company and the notice of the SGM will be dispatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:40 a.m. on 13 July 2006 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 11 August 2006.

THE FORMAL ACQUISITION AGREEMENT

Subsequent to the entering into of the Provisional Acquisition Agreement as set out in the 6 July Announcement, on 12 July 2006, the Company entered into the Formal Acquisition Agreement with the Vendors and the Guarantors, pursuant to which (a) the Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire, 57% equity interests in Lead Sun and the Sale Debts at the Total Consideration in the sum of HK\$812.592 million; and (b) the Guarantors have agreed to guarantee the performance of the Vendors' obligations under the Formal Acquisition Agreement. Major terms of the Formal Acquisition Agreement are summarised as follow:

Parties:

Purchaser: The Company

- Vendors:
- (1) the First Vendor, AIM Elite Limited, which is wholly and beneficially owned by Mr. Ng Hoi. The principal business activity of the First Vendor is investment holding.
 - (2) the Second Vendor, Long Cheer Group Limited, which is wholly and beneficially owned by Mr. Kwok Man. The principal business activity of the Second Vendor is investment holding.
 - (3) the Third Vendor, Fit Plus Limited, which is wholly and beneficially owned by Mr. Yeh Tung Ming. The principal business activity of the Third Vendor is investment holding.
 - (4) the Fourth Vendor, See Good Group Limited, which is wholly and beneficially owned by Mr. Ng Hiu King. The principal business activity of the Fourth Vendor is investment holding.

Guarantors: Mr. Ng Hoi, Mr. Kwok Man, Mr. Yeh Tung Ming and Mr. Ng Hiu King, as guarantors for the obligations of each of the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor, respectively, under the Formal Acquisition Agreement.

Subject matters

- (1) the Sale Shares, representing 57% equity interests in Lead Sun, comprising the First Sale Shares, the Second Sale Shares, the Third Sale Shares and the Fourth Sale Shares; and
- (2) the Sale Debts, representing all amounts owing from Lead Sun to the Vendors as at Completion, comprising the First Sale Debt, the Second Sale Debt, the Third Sale Debt and the Fourth Sale Debt.

Upon Completion, Lead Sun will be owned as to 57%, 14%, 14% and 15% by the Company, the Second Vendor, the Third Vendor and the Fourth Vendor respectively. Upon Completion, Lead Sun will become a non-wholly owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and their ultimate beneficial owners, are third parties independent of the Company and its connected persons (as defined under the Listing Rules) and, save as being shareholders of Lead Sun, the Vendors and their ultimate beneficial owners are independent of each other.

As at 30 June 2006, there was no outstanding amount as owed from Lead Sun to each of the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor.

Consideration

The Total Consideration for the Sale Shares and the Sale Debts is to be satisfied (i) as to HK\$432.592 million by the issue of the Consideration Shares by the Company to the Remaining Vendors; (ii) as to HK\$175 million by the transfer of the entire interest in BVI Property Company by the Company to the First Vendor; and (iii) as to the remaining balance of HK\$205 million in cash by the Company to the Vendors.

The Total Consideration will be satisfied by the Company in the following manner:

- (a) in respect of the First Vendor, the First Consideration of HK\$185,328,000 shall be satisfied (i) as to HK\$10,328,000 in cash; and (ii) as to HK\$175,000,000 by way of the sale and transfer by the Company of the entire issued share capital of BVI Property Company to the First Vendor within 2 Business Days after Completion;
- (b) in respect of the Second Vendor, the Second Consideration of HK\$213,840,000 shall be satisfied (i) as to HK\$66,365,600 in cash and (ii) as to HK\$147,474,400 by the issue of 368,686,000 Shares by the Company to the Second Vendor within 2 Business Days after Completion. Out of the cash consideration of HK\$66,365,600, HK\$17,365,600 will be paid to the Second Vendor and HK\$49,000,000 will be paid to Lead Sun or Top Rank, as the Company may require, on behalf of the Second Vendor as shareholder's loan to Lead Sun.

- (c) in respect of the Third Vendor, the Third Consideration of HK\$213,840,000 shall be satisfied (i) as to HK\$66,365,600 in cash and (ii) as to HK\$147,474,400 by the issue of 368,686,000 Shares by the Company to the Third Vendor within 2 Business Days after Completion. Out of the cash consideration of HK\$66,365,600, HK\$17,365,600 will be paid to the Third Vendor and HK\$49,000,000 will be paid to Lead Sun or Top Rank, as the Company may require, on behalf of the Third Vendor as shareholder's loan to Lead Sun.
- (d) in respect of the Fourth Vendor, the Fourth Consideration of HK\$199,584,000 shall be satisfied (i) as to HK\$61,940,800 in cash and (ii) as to HK\$137,643,200 by the issue of the 344,108,000 Shares by the Company to the Fourth Vendor within 2 Business Days after Completion. Out of the cash consideration of HK\$61,940,800, HK\$9,440,800 will be paid to the Fourth Vendor and HK\$52,500,000 will be paid to Lead Sun or Top Rank, as the Company may require, on behalf of the Fourth Vendor as shareholder's loan to Lead Sun.

Subject to Completion and the compliance with the Listing Rules, the Company, the Second Vendor, the Third Vendor and the Fourth Vendor agreed that the shareholders' loan to be provided to Lead Sun on Completion shall be unsecured, interest-free and repayable at such time as the board of directors of Lead Sun may from time to time resolve, unless the board of directors of Lead Sun may otherwise from time to time resolve.

The Total Consideration was determined with reference to an internal assessment of the fair value of the mining rights on the Mine on a discounted cash flow basis after taking into consideration factors including but not limited to the estimated total amount of contained natural rutile of the Mine of about 1.826 million tons and the present prices of rutile ore, titanium tetrachloride (TiCl₄) and titanium sponge. To the best knowledge of the Directors and based on publicly available information from metal exchange, trade news and inquiries made, the present market price of rutile ore is in the range of about USD 450 to USD 480 per ton FOB Australia; the present market price of titanium tetrachloride is in the range of about RMB14,000 to RMB18,000 per ton; and the present market price of titanium sponge is in the range of about RMB230 to RMB240 per kilogram, depending on factors such as the grade of the ore concentrates and demand and supply. FOB or free on board basis means that the value of the goods sold already includes all the costs until such time as the seller delivers the goods at the port of shipment, in this case Australia.

The Company advises that the preliminary assessment of the fair value of the mining rights, which is subject to further review by the Independent Valuer and revision by the Company, ranges from about HK\$1.8 billion to HK\$2.2 billion. The relevant amount attributable to 57% equity interests in Lead Sun which owns 90% equity interests in the Mine is equivalent to about HK\$0.9 billion to HK\$1.1 billion. The Independent Valuer has been engaged to review the methodologies and bases and assumptions used by the Company in preparing its internal assessment of the valuation of mining rights. Further information will be included in the circular to be dispatched to the Shareholders.

The Company has engaged a Canadian-based adviser which has expertise in the mining industry to provide advice and assistance to the management of the Company in preparing the internal valuation of the mining rights. The Company has also engaged Behre Dolbear Asia Inc., a mineral industry consulting firm with extensive experience in mining related projects, as the technical adviser to the Company.

The value of HK\$175,000,000 of the First Consideration represented by the entire issued share capital of BVI Property Company has been arrived at after arm's length negotiation between the Company and the First Vendor with reference to the unaudited consolidated net asset value of BVI Property Company, which ultimately owns 100% of PRC Property, of about HK\$156,841,000 as at 31 December 2005 prepared in accordance with accounting principles generally accepted in Hong Kong. The value of HK\$175,000,000 represents a premium of about 11.6% over the unaudited consolidated net asset value of BVI Property Company as at 31 December 2005. As a result of the disposal of BVI Property Company, the difference of HK\$18,159,000 between the transfer value of HK\$175,000,000 and the unaudited consolidated net asset value of BVI Property Company of about HK\$156,841,000 will be included in the calculation of goodwill or negative goodwill, if any, arising from the Acquisition on consolidation. According to an independent valuation by the Independent Valuer, the valuation of the PRC Property as at 30 June 2006 amounted to about RMB142,000,000 (equivalent to about HK\$137,864,000), which represents a revaluation surplus of about HK\$13,064,000 from the audited net book value of the PRC Property of about HK\$124,800,000 as at 31 December 2005.

Pursuant to the terms of the Formal Acquisition Agreement, the Company shall procure that the principal amount together with interests accrued thereon pursuant to a term loan facility granted by CITIC Ka Wah Bank Limited to GITIC Properties, a wholly owned subsidiary of BVI Property Company, shall be repaid in full by utilising sums advanced by the Company to the Property Group to settle the amount due from the Company to the Property Group prior to Completion. As at 31 December 2005, the outstanding principal loan balance of GITIC Properties as owing to CITIC Ka Wah Bank amounted to about HK\$32,910,000 and the amount due from the Company to the Property Group amounted to about HK\$41,623,000. It is expected that the Company will be released from all its obligations in respect of any mortgages or guarantees in respect of the PRC Property.

The cash portion of the Total Consideration will be funded as to about HK\$28,000,000 by internal resources of the Group and the remaining from net proceeds from the Placing.

Consideration Shares

The Consideration Shares will be issued to the Remaining Vendors at a price of HK\$0.40 per Share, which represents (i) a discount of about 41.18% over the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 25.09% to the average closing price of about HK\$0.534 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; (iii) a discount of about 3.61% over the closing price of HK\$0.415 per Share as quoted on the Stock Exchange prior to the suspension of trading of the Shares on 12 June 2006; and (iv) a premium of about 7.82% to the average closing price of about HK\$0.371 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 12 June 2006.

The issue price of the Consideration Shares was arrived at after arm's length negotiation between the Company and the Remaining Vendors with reference to, among other things, the Placing Price and the recent trading prices of the Shares on the Stock Exchange prior to the suspension of trading of the Shares on 12 June 2006. The Directors consider the issue price of the Consideration Shares to be fair and reasonable.

The aggregate number of Consideration Shares of 1,081,480,000 Shares to be issued to the Remaining Vendors represents (i) about 43.753% of the existing issued share capital of the Company of 2,471,812,853 Shares as at the date of this announcement; (ii) about 23.76% of the issued share capital of the Company of 4,553,292,853 Shares as enlarged by the Consideration Shares and Placing Shares (before exercise of the Over-allotment Option); and (iii) about 22.99% of the issued share capital of the Company of 4,703,292,853 Shares as enlarged by the Consideration Shares and the Placing Shares after the exercise of the Over-allotment Option in full. The number of Consideration Shares to be issued to the Second Vendor, the Third Vendor and the Fourth Vendor represents (i) about 14.916%, 14.916% and 13.921% respectively of the existing issued share capital of the Company of 2,471,812,853 Shares as at the date of this announcement; (ii) about 8.10%, 8.10% and 7.56% respectively of the issued share capital of the Company of 4,553,292,853 Shares as enlarged by the Consideration Shares and the Placing Shares (before exercise of the Over-allotment Option); and (iii) about 7.84%, 7.84% and 7.31% respectively of the issued share capital of the Company of 4,703,292,853 Shares as enlarged by the Consideration Shares and the Placing Shares after the exercise of the Over-allotment Option in full. The Consideration Shares, when issued on Completion, will rank pari passu in all respects with the existing Shares in issue.

Each of the Second Vendor, the Third Vendor and the Fourth Vendor will not nominate any person to be appointed as director of the Company and its subsidiaries. Currently, Mr. Yeh Tung Ming who wholly and beneficially owns the Third Vendor is also a director of Lead Sun. Pursuant to the terms of the Formal Acquisition Agreement, Mr. Yeh Tung Ming will resign as a director of Lead Sun at Completion and none of the Remaining Vendors will nominate a person to be appointed as a director of Lead Sun or its subsidiaries after Completion. After the Completion, the Company will control the board of directors of Shanxi Shenli.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions

Completion of the Formal Acquisition Agreement shall be conditional upon the fulfilment of the following conditions precedent set out as below:

- (a) the application for the mining licence, in form and substance acceptable to the Company, having been made by Shanxi Shenli to the proper PRC government authority in respect of the issue of the mining licence as referred to in (b) below;
- (b) Shanxi Shenli has obtained the mining licence validly issued by the proper PRC government authority in favour of Shanxi Shenli which entitles Shanxi Shenli to explore, exploit and extract natural rutile located underground and within the vicinity of the Mine, in form and substance acceptable to the Company;
- (c) the receipt by the Company of a legal opinion issued by a PRC law firm acceptable to the Company covering, inter alia, such matters relating to: (i) the due incorporation, shareholders and scope of business activities of Shanxi Shenli; (ii) the mining licence has been duly and validly issued by the proper PRC government authority; and (iii) such other matters as may be required by the Company, in form and substance acceptable to the Company;
- (d) the receipt by the Company of a report issued from a technical expert acceptable to the Company relating to the state and condition of the Mine covering such matters as may be required by the Company, in form and substance acceptable to the Company;
- (e) the issue of the consolidated audited accounts of Lead Sun and Top Rank for the period commencing from their respective dates of incorporation to 30 June 2006 by an accounting firm acceptable to the Company and in form and substance acceptable to the Company;
- (f) the Company having notified the Vendors that it is satisfied with the due diligence review and investigation referred to in the Formal Acquisition Agreement;
- (g) the passing of the resolution by shareholders of the Company in general meeting approving the Formal Acquisition Agreement and the transactions contemplated thereunder;

- (h) the passing of the resolution by shareholders of the Company in general meeting approving the increase in the authorised share capital of the Company from HK\$400,000,000.00 to HK\$1,000,000,000.00;
- (i) there has been no suspension of trading of the Shares on the Stock Exchange for more than 20 consecutive Business Days (other than in connection with the transactions contemplated under the Formal Acquisition Agreement) and no investigation by any government or regulatory authorities against any member of the Group has been made known to the Company;
- (j) the passing of the resolution by the shareholders of the Company in general meeting approving of the Placing Agreement and the transactions contemplated thereunder;
- (k) the Placing Agreement being unconditional in accordance with its terms;
- (l) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Consideration Shares;
- (m) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Placing Shares and the Over-allotment Shares;
- (n) (where required) the Bermuda Monetary Authority granting its permission in respect of the allotment and issue of the Consideration Shares;
- (o) (where required) the Bermuda Monetary Authority granting its permission in respect of the allotment and issue of the Placing Shares and the Over-allotment Shares; and
- (p) there being no event existing or having occurred and no condition being in existence which would constitute a breach of the Vendors' Warranties by any of the Vendors.

Save and except for the conditions set out in (g), (i), (l) and (n) above, the Company may waive any of the above conditions at any time by notice in writing to the Vendors. The Vendors may waive the condition as set out in (i) above at any time in writing to the Company.

The Directors undertake that conditions as set out in (a) and (b) above will not be waived.

The Directors will observe Rule 3.08 of the Listing Rules and act in the best interests of the Company and the Shareholders as a whole in proceeding with the Acquisition, including the exercise of the option to waive any conditions. At present, the Company do not foresee to waive any of the conditions. In the event that any of the above conditions are waived, further announcement will be made by the Company as and when appropriate.

The Formal Acquisition Agreement and the Placing Agreement are subject to the other becoming unconditional and will remain inter-conditional as long as conditions set out in (j) and (k) above are not waived by the Company.

Completion

Completion will take place on the third Business Day immediately after the conditions of the Formal Acquisition Agreement as set out in the section headed "Conditions" of this announcement have been fulfilled or otherwise waived (as the case may be), or such other date as the parties shall agree in writing. The Formal Acquisition Agreement will lapse if the conditions are not fulfilled or waived (as the case may be) by 31 December 2006 unless the parties agree otherwise whereupon none of the parties thereto shall have any further liabilities towards the others save for antecedent breaches. In the event that Completion has not taken place by 31 December 2006, further announcement will be made by the Company.

Other terms

Pursuant to the terms of the Formal Acquisition Agreement:

- (a) each of the Remaining Shareholders has severally undertaken to the Company that it will not, and will procure none of its associates, nominees, trustees holding in trust for it shall during a period of 12 months following the date of Completion: (i) sell, transfer or otherwise create any rights in respect of any of the Consideration Shares held by it or its associates, nominees or trustee on or after Completion; and (ii) sell, transfer or otherwise dispose of any interest in any shares in any company which is directly or indirectly the beneficial owner of the Consideration Shares;
- (b) each of the Remaining Shareholders has granted a right of first refusal to the Purchaser to acquire from such Vendor its interests in the shares and shareholder's loan in Lead Sun in the event that such Vendor proposes to sell its interests to another party; and
- (c) each of the Remaining Shareholders has further undertaken to the Company that it shall not sell any of the shares in Lead Sun (and/or any shareholder's loan as owed by Lead Sun to it) to a third party who is regarded as a competitor of the Company and/or any member of the Lead Sun Group in the absolute opinion of the Purchaser.

THE PLACING AGREEMENT

As stated in the Company's announcement dated 10 July 2006, the Company entered into the Placing Agreement with the Placing Agent on 7 July 2006. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent, and the Placing Agent has conditionally agreed to place, on a best effort basis, a total of 1,000,000,000 Placing Shares (subject to the Over-allotment Option) at the Placing Price of HK\$0.40 per Placing Share to not less than six placees. The choice of placees for the Placing Shares shall be determined by the Placing Agent, subject to the requirements of the Listing Rules (in particular, the Placing Agent shall use all reasonable endeavours to ensure that placees and their respective ultimate beneficial owners shall be third parties independent of the Vendors and their ultimate beneficial owners, the Company and its connected persons (as defined under the Listing Rules)). In addition, the Company has granted the Over-allotment Option to the Placing Agent to issue up to an additional 150,000,000 new Shares to such person or persons as the Placing Agent shall direct at the Placing Price for the purpose of covering over-allocations which may be made in connection with the Placing.

None of the placees will become a substantial shareholder of the Company as a result of the Placing. So far as the Company can ascertain, and based on the written confirmation by the placees and the written declaration given by each of the ultimate beneficial owner of the Remaining Vendors, the placees are independent of each of the Second Vendor, the Third Vendor and the Fourth Vendor and their ultimate beneficial owners.

According to the Placing Agent, not less than six placees have signed written confirmations agreeing to subscribe for a total of 1,389,850,000 Placing Shares representing 1.39 times of the total number of the initial Placing Shares available under the Placing. Among these confirmations, 7 placees agreeing to subscribe for a total of 395,000,000 Placing Shares and their respective ultimate beneficial owners have agreed to a lock-up undertaking in respect of those Placing Shares being allocated to these placees ("**Allocated Shares**").

Under the lock-up undertaking, the ultimate beneficial owners of the placees have agreed to procure that, and the placees have undertaken to the Company that, during a period of 12 months immediately following the date of Completion (the "**Lock-up Period**"), neither the placees nor any person acting on their behalf will (i) offer, sell, contract to sell, pledge, encumber or otherwise dispose of any of the Allocated Shares, or offer, sell, contract to sell, pledge or otherwise dispose of any securities exchangeable for or convertible into or exercisable for the Allocated Shares, warrants or other rights to purchase the Allocated Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Allocated Shares, including equity swaps, forward sales and options representing the right to receive any Allocated Shares; or (ii) enter into any other arrangement that transfers to others, in whole or in part, any of the economic consequences of ownership of the Allocated Share.

In addition, the ultimate beneficial owners of the placees have undertaken to the Company that during the Lock-up Period, neither they nor any person acting on their behalf will (i) offer, sell, contract to sell, pledge, encumber or otherwise dispose of any of their equity interests in the placees, or offer, sell, contract to sell, pledge or otherwise dispose of any securities exchangeable for or convertible into or exercisable for their equity interests in the placees, warrants or other rights to purchase their equity interests in the placees or any security or financial product whose value is determined directly or indirectly by reference to the price of their equity interests in the placees, including equity swaps, forward sales and options representing the right to receive their equity interests in the placees; or (ii) enter into any other arrangement that transfers to others, in whole or in part, any of the economic consequences of ownership of their equity interests in the placees.

Completion of the Placing is conditional upon, inter alia, the Stock Exchange granting listing of and permission to deal in the Placing Shares and/or the Over-allotment Shares, the passing of the resolutions by Shareholders approving the Formal Acquisition Agreement and the Placing Agreement at the SGM, the entering into the Formal Acquisition Agreement and the Formal Acquisition Agreement being unconditional in accordance with its terms.

It is expected that completion of the Placing Agreement and the Formal Acquisition Agreement will take place simultaneously. For details in relation to the Placing Agreement, please refer to the announcement of the Company dated 10 July 2006.

The Company does not expect any change in control or change in Directors as a result of the completion of the Acquisition and the Placing. Currently, the Company has no controlling shareholder and there will not be a controlling shareholder as a result of the Placing and the Acquisition. The board of Directors will remain the same after the completion of the Placing and the Acquisition.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after completion of the Formal Acquisition Agreement and the Placing Agreement are set out as follows:

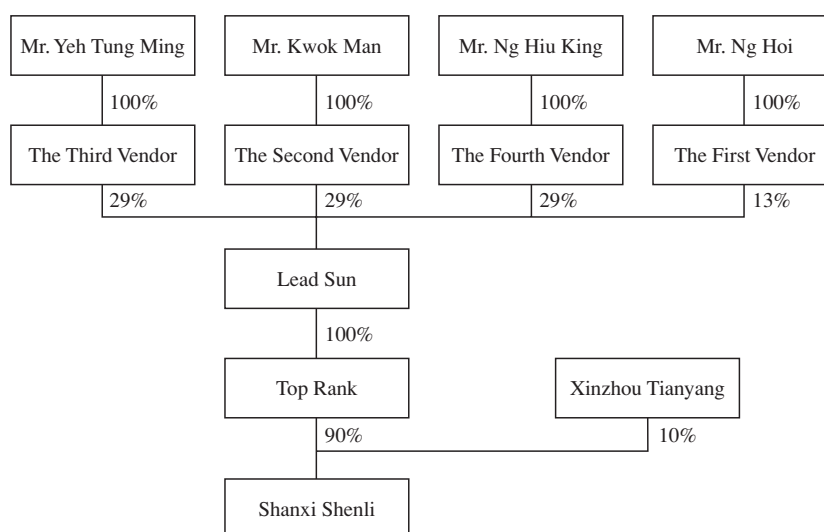
	As at the date of this announcement		Immediately after completion of the Formal Acquisition and the Placing		Immediately after completion of the Formal Acquisition and the Placing (assuming full exercise of the Over-allotment Option)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Cai Yuan (Note 1)	500,000,000	20.23%	500,000,000	10.98%	500,000,000	10.63%
Luk Kin Peter Joseph (Note 2)	226,584,000	9.17%	226,584,000	4.98%	226,584,000	4.82%
Tang Tin Sek (Note 3)	300,000	0.01%	300,000	0.01%	300,000	0.01%
The Second Vendor	–	–	368,686,000	8.10%	368,686,000	7.84%
The Third Vendor	–	–	368,686,000	8.10%	368,686,000	7.84%
The Fourth Vendor	–	–	344,108,000	7.56%	344,108,000	7.31%
Existing public Shareholders	1,744,928,853	70.59%	1,744,928,853	38.32%	1,744,928,853	37.10%
Placees	–	–	1,000,000,000	21.95%	1,150,000,000	24.45%
Total	2,471,812,853	100.00%	4,553,292,853	100.00%	4,703,292,853	100.00%

Notes:

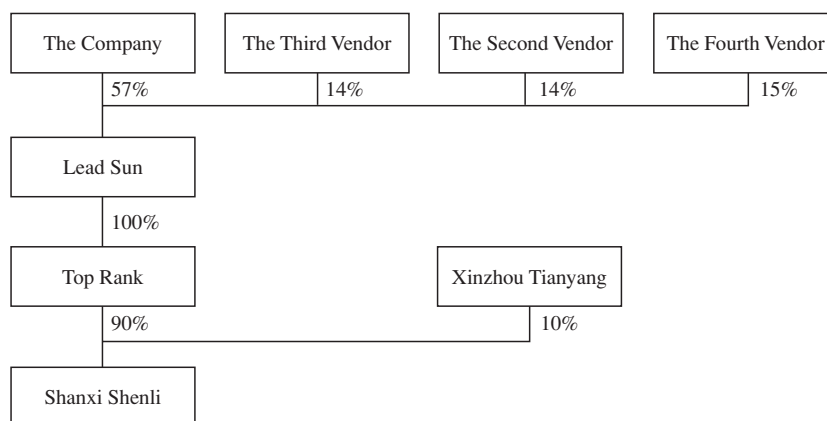
1. Mr. Cai Yuan is the chairman of the Company.
2. Mr. Luk Kin Peter Joseph is the chief executive officer and the deputy chairman of the Company.
3. Dr. Tang Tin Sek is an independent non-executive Director.

The following charts provide an illustration of the shareholding structure of Lead Sun Group immediately before and after completion of the Formal Acquisition Agreement and the Placing Agreement.

Shareholding structure of Lead Sun Group immediately before completion of the Formal Acquisition Agreement and the Placing Agreement:



Shareholding structure of Lead Sun Group immediately after completion of the Formal Acquisition Agreement and Placing Agreement:



INFORMATION ON THE GROUP

The Group is principally engaged in the business of investment holding, property investment, processing and storage of cord blood and provision of laboratory services.

INFORMATION ON THE LEAD SUN GROUP AND THE MINE

The Lead Sun Group is principally engaged in rutile related business. Rutile is the raw material for titanium tetrachloride and titanium sponge. Titanium has a wide range of applications including aerospace, military, industrial and consumer products (such as eye glasses, golf club, ski equipments). Lead Sun directly owns 100% of Top Rank, which in turn owns 90% of Shanxi Shenli. Lead Sun and Top Rank are investment holding companies incorporated in the British Virgin Islands. Top Rank was acquired by Lead Sun on 1 June 2006. The Company confirms that to its best knowledge, information and belief having made all reasonable enquiries, Lead Sun acquired its interest in Top Rank from persons who are independent of the Company and its connected persons (as defined in the Listing Rules).

Shanxi Shenli is a Sino-foreign equity joint venture enterprise established on 17 March 2005 which is owned as to 90% by Top Rank and 10% by Xinzhou Tianyang. Xinzhou Tianyang is an enterprise established in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Xinzhou Tianyang and its ultimate beneficial owners are Independent Third Parties of the Company. Shanxi Shenli is established to engage in exploitation, flotation of minerals, processing and sale of mineral products, titanium sponge, titanium metal, research and development of new products (採礦、選礦生產、銷售礦產品、海棉鈦、鈦合金、研究開發新產品). The registered capital of Shanxi Shenli is RMB184,800,000, of which RMB41,827,000 has been paid up, and its total investment amount is RMB410,000,000. The second instalment of the registered capital of Shanxi Shenli payable by Top Rank of RMB58.212 million and Xinzhou Tianyang of RMB6.468 million will be due in December 2006.

The Mine is located in Dai County, Shanxi Province, the PRC, which is about 305 kilometres south-west of Beijing. The Mine has been explored by the 211 Geological Team of Shanxi Provincial Bureau of Geological Minerals Exploration and Development (山西省地質礦產勘查開發局211地質隊) during the period from 1973 to 2003. Shanxi Provincial Bureau of Geological Minerals Exploration and Development, an Independent Third Party which is independent of the Vendors, is subordinate to the Shanxi Provincial People's Government and is an organisation appointed and funded by the local government to explore geological minerals within the territory of Shanxi Province.

As at the date of this announcement, no mining licence with respect to the exploitation of the Mine has been obtained by either Xinzhou Tianyang or Shanxi Shenli and no exploitation of the Mine has commenced. Documents with respect to the mining licence application were previously submitted to the relevant PRC government authorities by Xinzhou Tianyang. Xinzhou Tianyang submitted an application for the mining licence with respect to the exploitation of the Mine with Dai County Department of Land and Resources (代縣國土資源局) on 6 June 2005 together with an assignment agreement (《山西省代縣金紅石礦採礦權轉讓協議》) dated 31 May 2005 entered into between Xinzhou Tianyang and Dai County Rutile Mine(代縣金紅石礦), pursuant to which Dai County Rutile Mine, a state-owned enterprise which previously owned the mining licence, agreed to assign the mining rights to Xinzhou Tianyang. Pursuant to the document dated 5 December 2005 issued by Shanxi Provincial Department of Land and Resources (山西省國土資源廳) to Xinzhou Tianyang which set out the approval for the area marked for the application to be made for the mining licence with respect to the Mine, the exploration area of the Mine is 2.07 square kilometres with an estimated geological reserve of natural rutile of 1.826 million tons.

On 17 July 2006, Shanxi Shenli has submitted an application for the mining licence with respect to the exclusive exploitation of the Mine to be issued under its name with Shanxi Provincial Department of Land and Resources, and amongst which, a letter from Xinzhou Tianyang dated 20 June 2006 agreeing the mining licence to be issued to Shanxi Shenli was also submitted in connection therewith. An acknowledgement letter (《山西省國土資源廳行政業務事項受理回執》) dated 17 July 2006 was issued by Shanxi Provincial Department of Land and Resources to Shanxi Shenli.

As advised by the PRC legal advisers to the Company, according to the existing PRC laws and regulations, after Shanxi Shenli has obtained the mining licence with respect to the exploitation of the Mine, Shanxi Shenli shall be entitled to carry on further exploration of the Mine if so require for the purpose of its own exploitation and production (for example to carry out further exploration of the Mine during the course of mine exploitation for identification of the most appropriate location to start mining and search for any additional reserve) and no additional exploration permit is required to be obtained. Based on the information provided by the Vendors, no exploration of the Mine is currently being carried out.

Pursuant to a mining rights premium agreement (《採礦權價款繳納協議》) dated 30 June 2006 entered into between Shanxi Shenli as the applicant of the mining licence and Xinzhou Bureau of Land and Resources as the representative of the approval authorities which sets out the mining rights premium (採礦權價款) and the payment schedule of the different instalments, the mining rights premium in respect of the mining rights of the Mine amounted to RMB67,474,824.80 (equivalent to about HK\$65,510,000), of which the first instalment in an amount of RMB15,000,000 (equivalent to about HK\$14,563,000) was due on 30 July 2006 and has been paid. The remaining balance of the mining rights premium for the mining rights of the Mine of RMB52,474,824.80 (equivalent to about HK\$50,946,000) shall be payable to Xinzhou Bureau of Land and Resources in five instalments in the following manner: (a) RMB12,474,824.80 (equivalent to about HK\$12,111,000) on or before 30 December 2007; and (b) four equal instalments of RMB10,000,000 (equivalent to about HK\$9,709,000) to be payable on or before 30 December 2008, 30 December 2009, 30 December 2010 and 30 June 2012, respectively.

As advised by the PRC legal advisers to the Company, the premium in respect of the mining rights of the Mine represents the amount payable to the PRC government before mining licence can be granted due to the fact that the exploration of the Mine has been funded by the PRC government. The premium is a one-off payment and such amount would not be required to be paid on renewal of the mining licence. Based on the enquiries with the Shanxi Provincial Department of Land and Resources, the Company expects that on renewal of the mining licence, only the payment of mining rights usage fee in the amount of RMB1,000 per square kilometres per year in accordance with Procedures for Administration of Registration of Mining of Mineral Resources (《礦產資源開採登記管理辦法》) and a minimal registration fee will be required.

Based on enquiries made with Xinzhou Bureau of Land and Resources, in the event that the mining licence is granted by the government authority but Shanxi Shenli unilaterally decides not to proceed with the mining of the Mine, the paid premium will not be refundable. According to the understanding obtained by Company, Shanxi Shenli will be obliged to settle the remaining balance of the mining rights premium unless otherwise agreed with Xinzhou Bureau of Land and Resources.

Based on enquiries with Shanxi Provincial Department of Land and Resources, the following fees are payable prior to Shanxi Shenli can obtain the mining rights of the Mine:

- (a) mining rights usage fee in the amount of RMB1,000 per square kilometres per year in accordance with Procedures for Administration of Registration of Mining of Mineral Resources (《礦產資源開採登記管理辦法》);
- (b) change of holder of mining rights registration fees in the amount of about RMB200; and
- (c) announcement fee in the amount of about RMB2,500.

Save for the above, based on enquiries with Shanxi Provincial Department of Land and Resources, the Company is not aware of any other substantial fees payable to the government by Shanxi Shenli prior to obtaining the mining rights of the Mine.

Based on the information provided by the Vendors and advice received from the PRC legal advisers to the Company, the Company expects that the mining licence will be obtained by Shanxi Shenli by 31 December 2006.

As at the date of this announcement, Shanxi Shenli has not yet obtained the land use right certificates and building ownership certificates in relation to the Mine and factory premises nor commenced the construction of the factory premises. The land use rights contract is expected to be entered into after obtaining the mining licence. Currently the assets owned by Shanxi Shenli mainly comprise several vehicles/trucks, cash and other receivables.

Summary of the principal approvals, licenses, tests or steps required after Completion

As advised by the PRC legal advisers to the Company, the following are the principal approvals, licences, tests or steps required to be obtained or completed after Completion before natural rutile can be exploited from the Mine under PRC laws:

1. Prior to the commencement of the construction of the Mine, documents in relation to the design of the Mine must be subject to the approval by the local administrative authority for Safety Monitorary in Shanxi Province (山西省當地安全監督管理部門) and the design of all safety facilities in relation to the construction of the Mine must be approved by and safety facilities must pass the inspection from the relevant government authorities in relation to the administration of work safety in Shanxi Province. Conduct of operations without the above approvals could result in the imposition of stop-work order on the operations, and in serious cases, the withdrawal of the mining licence or business licence.

2. Shanxi Shenli must obtain the approval of the environmental impact evaluation reports (環境影響評價文件) for the Mine and pass the inspection of the environmental protection facilities by the Shanxi Provincial Bureau of Environment Protection. In addition, a scheme for conservation of soil and water (水土保持方案) must be included in the environmental effect evaluation reports and approved by the local administrative authorities of water resources in Shanxi Province(山西省當地水行政主管部門). Conduct of operations without the approval of the environmental effect evaluation reports could result in the imposition of stop-work order on the operations and a penalty charge.
3. Shanxi Shenli must obtain a production safety permit (安全生產許可証) from Shanxi Provincial Administration of Work Safety (山西省安全監督局). Commencement of operations without the licence can lead to imposition of a stop-work order, confiscation of proceeds, and a penalty charge.
4. Shanxi Shenli has to obtain land use right certificates and building ownership certificates in relation to the Mine and factory premises from the administration of land and resources authority of Shanxi Province. Pursuant to the Detailed Rules For the Implementation of the Mineral Resources Law of the PRC (中華人民共和國礦產資源法實施細則), after Shanxi Shenli has obtained the mining licence, it will be entitled to obtain the relevant land use right under the PRC laws in relation to its production and construction requirements. Accordingly, Shanxi Shenli would only need to follow the procedures as required by the relevant PRC laws and regulations to obtain the land use rights. The timing of payment of the land premium and obtaining of the land use right certificate will depend on the terms of the grant of the land use rights contract to be entered into between Shanxi Shenli and the local land and resources bureau. Alternatively, upon obtaining the approval by the relevant land and resources bureau, Shanxi Shenli can choose to enter into tenancy agreement in relation to the land on which the Mine and the factory premises are situated with the local land and resources bureau. In addition, prior to the commencement of operations of the Mine, Shanxi Shenli has to obtain construction land planning permit (建設用地規畫許可証), construction project planning permit (建設工程規畫許可証) and construction permit (施工許可証). Commencement of operations without the permits can lead to the imposition of a stop-work order and/or a penalty charge.
5. Shanxi Shenli must obtain explosive purchase permit (爆炸物品購買許可証), explosive transport permit (運輸許可証), explosive use license (使用許可証), explosive storage permit (儲存許可証) and explosive working permit (爆破作業許可証) in connection with the operations of the Mine. Conduct of operations without the permits could result in the imposition of a stop-work order, a penalty charge and confiscation of the explosive.

The matters mentioned in paragraphs 1 to 5 above for the Mine can only be performed after the mining licence is issued. Failure to comply with the matters set out in paragraphs 1 to 5 above will lead to the Group being unable to exploit, produce and sell rutile from the Mine.

The Company considers that the mining licence is the most crucial permit to be obtained in relation to the intended business activities of Shanxi Shenli after the Completion, to engage in the business of rutile mining and titanium production. As a condition to the Completion which the Directors have undertaken not to waive, Shanxi Shenli would have obtained the mining licence validly issued by the appropriate PRC government authority at the time of Completion. After the mining licence has been obtained, Company considers that the other approvals are related to the implementation of the business plan for rutile mining and titanium production before the construction of the Mine and factory premises can take place and which, based on the PRC legal opinion obtained by the Company, are only procedural matters subject to Shanxi Shenli satisfying the required standards and other requirements under the relevant rules and regulations and by the relevant government authorities. In this respect, the Company intends to build up a professional management and technical team as soon as possible after the Completion to focus on the implementation of the business plan. Until the Completion, the Company does not have any control of Shanxi Shenli and on the implementation process. After the Completion, the Company with its technical team will have acquired control on the operations of Shanxi Shenli and the timetable of implementation to ensure the mining and production can commence on a timely manner. Therefore, the Directors do not see any significant risk in acquiring a business that cannot be put into operation. As such, the Directors consider it is in the best interest of the Company and the Shareholders to acquire the interests in Lead Sun at this stage.

Lead Sun is an investment holding company incorporated in April 2006 with no other businesses or assets other than its shareholding in Top Rank. No accounts of Lead Sun have been prepared as at 31 December 2005. The unaudited consolidated financial information of Top Rank prepared in accordance with accounting principles generally accepted in Hong Kong from 19 October 2004, its date of incorporation, to 31 December 2005 is set out as follows:

	As at 31 December 2005 HK\$
Total assets	39,182,712
Total liabilities	31,222,582
Total equity	7,960,130
	For the period from 19 October 2004 to 31 December 2005 HK\$
Turnover	–
Net loss before/after taxation	(2,145,065)

Risks relating to the mining industry:

Risks relating to the industry are set out as below:

1. Mining licence from the appropriate PRC government authorities is required for the exploitation of the Mine. In addition, as set out under the section headed “Summary of the principal approvals, licenses, tests or steps required after Completion”, certain approvals, licences, tests or steps are required to be obtained or completed before natural rutile can be exploited from the Mine under PRC laws. Application for the mining licence for the exploitation of the Mine has been submitted to the appropriate PRC government authorities. However, any problem, delay, rejection arises in obtaining or completing these approvals, licences, tests or steps may result in delay or prohibition in carrying out the mining operations by the Group. As the Directors undertake not to waive conditions (a) and (b) which require Shanxi Shenli to have obtained the mining licence before the Completion, Completion will not take place unless the mining licence can be obtained.
2. The estimated geological reserve of natural rutile may differ from the actual mine reserves in tonnage, quality and feasibility. Any material discrepancies will adversely affect the profitability of the Group’s mining operations.
3. The profitability of the Group’s mining operations may be affected by fluctuations in the market price of rutile ore, titanium tetrachloride and titanium sponge. As most of the future revenue from these operations will come from the sale of rutile ore, titanium tetrachloride and titanium sponge, the earnings from these operations will be closely related to such prices which may be influenced by numerous factors beyond the control of the Group, including the PRC and the worldwide demand, forward selling activities and general economic conditions in the PRC and elsewhere in the world.
4. The rutile industry in the PRC is subject to extensive regulation by the PRC government. The operations under the Mine may be materially and adversely affected by any future changes in the government regulations and policies.
5. Rutile mine operations are subject to environmental protection laws and regulations in the PRC. The expenditure for environmental regulatory compliance will increase if the environment protection laws become more stringent.
6. The operations of the Mine are carried out in the PRC. Any adverse changes in economic policy and legal development in the PRC will affect the revenue generated.
7. The Group may face many operational risks, which include risk related to the geological structure of the Mine and geological disasters that occur during the mining process; and catastrophic events such as fires, earthquakes, floods or other natural disasters.
8. This is the Group’s first venture into the rutile mining and titanium production industries which could present management challenges. The Company and its current management have no experience in the mining industry. However, the Company intends to build up a professional management and technical team with expertise in the mining area as soon as possible after the Completion to cope with the possible challenges.

INFORMATION ON THE PROPERTY GROUP

The Property Group is engaged in property investment. BVI Property Company is a wholly owned subsidiary of the Group and an investment holding company incorporated in the British Virgin Islands holding 100% beneficial interest in GITIC Properties, which owns 100% of the PRC Property. The principal activity of GITIC Properties is property investment. BVI Property Company acts as an investment holding company with no other businesses or assets other than its shareholding in GITIC Properties.

The unaudited consolidated financial information of BVI Property Company prepared in accordance with accounting principles generally accepted in Hong Kong for the two years ended 31 December 2005 is set out as follows:

	As at	
	31 December 2005 (HK\$' million)	31 December 2004 (HK\$' million)
Total assets	200.12	236.06
Total liabilities	43.28	48.26
Total equity	156.84	187.79
	For the year ended	
	31 December 2005 (HK\$' million)	31 December 2004 (HK\$' million)
Turnover	8.68	8.81
Net losses before taxation	(31.69)	(2.81)
Net losses after taxation	(30.95)	(2.93)

The PRC Property is located at Level 2 of GITIC Plaza, No.339 Huanshi Road East, Guangzhou, Guangdong Province, the PRC, comprising the entire shopping mall situated on the second floor of GITIC Plaza in Guangzhou. GITIC Plaza is located at the centre of one of the prime commercial districts in Guangzhou. The shopping mall has a gross floor area of about 8,976.56 square meters. Currently, the PRC Property is held by the Group as investment property.

Upon Completion, each of BVI Property Company and GITIC Properties will cease to be a subsidiary of the Company.

REASONS FOR THE ACQUISITION

As stated in the 2005 annual report of the Company, the Company plans to continue to exploit and pursue any investment opportunities which can enhance the Group's performance and returns to shareholders.

Titanium has a wide range of applications including aerospace, military, industrial and consumer products (such as eye glasses, golf clubs, ski equipments). According to the 11th Five-Year plan, the PRC government is planning to develop several scalable high-tech projects for the period of 2006-2010. Those projects include the development of civil airplane, helicopters as well as advanced engines, satellite application and building of demonstration projects for commercial production of high-performance new materials badly needed in information, biological and aerospace industries. According to the Mineral Commodity Summaries published in January 2006 by the U.S. Geological Survey, the sole science agency for the U.S. Department of the Interior, a department which manages the natural resources of the United States, the increasing demand in the commercial aircraft and military markets caused the United States production and consumption of titanium sponge metal continued to rise in 2005, and countries like the United States, Japan and Russia are expected to increase their titanium sponge capacities by 2006 and 2007. With the continued increase in the demand and applications of titanium in these aspects, the Directors foresee demand for high quality titanium sponge. The Directors also believe the control of the raw material, rutile, for the production of titanium sponge and titanium chloride will give the Group a competitive advantage over its competitors in the raw material supply and production. The Directors believe that the Group, following the Acquisition, will enhance performance and returns to the Shareholders.

The Total Consideration was determined with reference to an internal assessment of the fair value of the mining rights on the Mine on a discounted cash flow basis after taking into consideration factors including but not limited to the estimated total amount of contained natural rutile of the Mine of about 1.826 million tons and the present prices of rutile ore, titanium tetrachloride (TiCl₄) and titanium sponge. The Total Consideration was arrived at after arm's length negotiations between the Company and the Vendors and on normal commercial terms. The Directors are of the opinion that the terms of the Formal Acquisition Agreement (including the Total Consideration) are fair and reasonable and on normal commercial terms and that the entering into of the Formal Acquisition Agreement is in the interests of the Group and the Shareholders as a whole.

INCREASE IN AUTHORISED SHARE CAPITAL

To facilitate the issue of the Consideration Shares and the Placing Shares, the Company also proposes to increase its authorised share capital from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares. The increase in the authorised share capital of the Company will be proposed as a separate resolution at the SGM and will be conditional upon the approval of the Acquisition.

GENERAL

Based on the relevant percentage ratios, the Acquisition and the transfer of BVI Property Company to the First Vendor each constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore required to be made conditional on Shareholders' approval pursuant to Rule 14.40 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendors, their beneficial owners and their respective associates, do not hold any Shares as at the date of this announcement and no Shareholder has a material interest in the Acquisition and the transfer of the interests in BVI Property Company to the First Vendor and therefore no Shareholder is required to abstain from voting on the proposed resolution to approve the Acquisition at the SGM.

The Company has engaged Behre Dolbear Asia, Inc, an independent mining consultant, to perform a technical review on the Mine which includes, among other things, the assessment of mining tenement, geology and mineral resources and ore reserves, exploration potential. Pursuant to Rule 18.09 of the Listing Rules, the technical report prepared by Behre Dolbear Asia, Inc. will be included in the circular to be dispatched to the Shareholders.

A circular containing, among other things, further details of the Acquisition and the transfer of interests in BVI Property Company to the First Vendor, the proposed increase in authorised share capital of the Company and the notice of the SGM will be dispatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended from 9:40 a.m. on 13 July 2006 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 August 2006.

DEFINITIONS

“6 July Announcement”	the announcement of the Company dated 6 July 2006 in relation to, among other things, the proposed acquisition of 57% equity interests in Lead Sun
“Acquisition”	the acquisition of 57% equity interests in Lead Sun and the Sale Debts by the Company from the Vendors in accordance with the terms and conditions of the Formal Acquisition Agreement
“Board”	the board of Directors, including independent non-executive Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“BVI Property Company”	INNOMAXX Property (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by the Company
“Company”	INNOMAXX Biotechnology Group Limited (Stock code: 340), whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Formal Acquisition Agreement
“Completion Date”	the 3rd Business Day immediately after fulfillment (or waiver in accordance with the Formal Acquisition Agreement) of the conditions as set out in the section headed “Conditions” of this announcement, or such other date as the parties may agree in writing, on which Completion shall take place in accordance with the terms thereof
“Consideration Shares”	1,081,480,000 new Shares to be issued and allotted by the Company to the Second Vendor, the Third Vendor and the Fourth Vendor in relation to the Acquisition
“Directors”	the directors of the Company
“First Consideration”	HK\$185,328,000.00, being the aggregate consideration for the First Sale Shares and the First Sale Debt
“First Sale Debt”	all amount owing from Lead Sun to the First Vendor as at Completion
“First Sale Shares”	130 shares in Lead Sun, representing 13% of the issued share capital of Lead Sun legally and beneficially owned by the First Vendor
“First Vendor”	AIM Elite Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Ng Hoi
“Formal Acquisition Agreement”	the formal sale and purchase agreement dated 12 July 2006 entered into between, among other persons, the Company and the Vendors in relation to the Acquisition

“Fourth Consideration”	HK\$199,584,000.00, being the aggregate consideration for the Fourth Sale Shares and the Fourth Sale Debt
“Fourth Sale Debt”	all amount owing from Lead Sun to the Fourth Vendor as at Completion
“Fourth Sale Shares”	140 shares in Lead Sun, representing 14% of the issued share capital of Lead Sun legally and beneficially owned by the Fourth Vendor
“Fourth Vendor”	See Good Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Ng Hiu King
“GITIC Properties”	GITIC Properties Limited, a company incorporated in Hong Kong with limited liability and wholly and beneficially owned by the BVI Property Company
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Ng Hoi, Mr. Kwok Man, Mr. Yeh Tung Ming and Mr. Ng Hiu King
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party(ies)”	parties and their respective ultimate beneficial owners which are independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Independent Valuer”	Greater China Appraisal Limited, independent chartered valuation surveyors and property consultants
“Last Trading Date”	12 July 2006, being the last trading day prior to the suspension of trading in the Shares
“Lead Sun”	Lead Sun Investments Limited, a company incorporated in the British Virgin Islands and is currently owned as to 13%, 29%, 29%, 29% by the First Second Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor respectively
“Lead Sun Group”	Lead Sun and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mine”	a natural rutile mine known as 山西代縣金紅石礦 and located at Dai County, Shanxi Province, the PRC
“Over-allotment Option”	the option granted by the Company to the Placing Agent to require the Company to issue the Over-allotment Shares pursuant to the Placing Agreement
“Over-allotment Shares”	up to 150,000,000 new Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option
“Placing”	the placing of Placing Shares and the Over-allotment Shares (where applicable) pursuant to the terms of the Placing Agreement
“Placing Agent”	Goldbond Securities Limited, a licensed corporation for Types 1 and 4 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional agreement dated 7 July 2006 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.40 per Placing Share
“Placing Shares”	an aggregate of up to 1,000,000,000 Shares to be placed pursuant to the terms of the Placing Agreement
“PRC”	the People’s Republic of China which excludes Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Property”	the property located at Level 2 of GITIC Plaza, No.339 Huanshi Road East, Guangzhou, Guangdong Province, the PRC

“Property Group”	the BVI Property Company and its subsidiary, GITIC Properties
“Provisional Acquisition Agreement”	the conditional provisional sale and purchase agreement dated 13 June 2006 entered into between the Company and the Vendors in relation to the 57% equity interests in Lead Sun
“Remaining Shareholders” or “Remaining Vendors”	the Second Vendor, the Third Vendor and the Fourth Vendor
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Debts”	the First Sale Debt, the Second Sale Debt, the Third Sale Debt and the Fourth Sale Debt
“Sale Shares”	the First Sale Shares, the Second Sale Shares, the Third Sale Shares and the Fourth Sale Shares
“Second Consideration”	HK\$213,840,000.00, being the aggregate consideration for the Second Sale Shares and the Second Sale Debt
“Second Sale Debt”	all amount owing from Lead Sun to the Second Vendor as at Completion
“Second Sale Shares”	150 shares in Lead Sun, representing 15% of the issued share capital of Lead Sun legally and beneficially owned by the Second Vendor
“Second Vendor”	Long Cheer Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Kwok Man
“SGM”	special general meeting of the Company
“Shanxi Shenli”	山西神利航天鈦業有限公司 (Shanxi Shenli Aerospace Titanium Co., Ltd.), a Sino-foreign equity joint venture enterprise established in the PRC and is indirectly owned by Lead Sun as to 90% and Xinzhou Tianyang as to 10%
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Consideration”	HK\$213,840,000.00, being the aggregate consideration for the Third Sale Shares and the Third Sale Debt
“Third Sale Debt”	all amount owing from Lead Sun to the Third Vendor as at Completion
“Third Sale Shares”	150 shares in Lead Sun, representing 15% of the issued share capital of Lead Sun legally and beneficially owned by the Third Vendor
“Third Vendor”	Fit Plus Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Yeh Tung Ming
“Top Rank”	Top Rank International Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Lead Sun
“Total Consideration”	the total consideration payable by the Company to the Vendors of about HK\$812.592 million for the Acquisition
“USD”	United States dollars, the lawful currency of the United States of America
“Vendors”	the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor
“Vendors’ Warranties”	the representations, warranties, undertakings or indemnities made or given by the Vendors to the Company
“Xinzhou Tianyang”	忻州開發天陽鈦業有限責任公司 (Xinzhou Tianyang Titanium Co., Ltd.), an enterprise established in the PRC and is beneficially owned by two Independent Third Parties
“%”	per cent.

Translation of RMB into Hong Kong dollars are based on the exchange rates of RMB1.03 to HK\$1.00 for information purpose only. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

As at the date of this announcement, the Board of the Company comprises Mr. Cai Yuan, Mr. Luk Kin Peter Joseph as executive Directors and Dr. Tang Tin Sek, Mr. Lee Kwan Hung and Mr. Poon Chiu Kwok as independent non-executive Directors.

By Order of the Board
INNOMAXX Biotechnology Group Limited
Luk Kin Peter Joseph
Deputy Chairman & Chief Executive Officer

10 August 2006, Hong Kong