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IA INTERNATIONAL HOLDINGS LIMITED

毅興科技國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8047)

PLACING OF NEW SHARES AND CHANGE OF PRINCIPAL PLACE OF BUSINESS

Placing Agent



**華富嘉洛證券有限公司
Quam Securities Company Limited**

PLACING OF NEW SHARES

The Company announces that on 1 June 2006, the Company entered into a conditional placing agreement with Quam Securities pursuant to which Quam Securities will place up to 60,000,000 new Shares at HK\$0.30 per Share on a best endeavour basis. The maximum net proceeds from the Placing are estimated to be about HK\$17.1 million.

The Placing Price represents (i) a discount of around 4.8% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of around 6.0% to the average closing price of about HK\$0.319 per Share for the last 5 trading days up to and including the Last Trading Day; and (iii) a discount of around 6.5% to the average closing price of about HK\$0.321 per Share for the last 10 trading days up to and including the Last Trading Day.

The Placing Shares represent (i) around 14.8% of the Company's existing issued share capital; and (ii) around 12.9% of the Company's issued share capital as enlarged by the issue of the Placing Shares. The Placing Shares will be issued pursuant to the general mandate granted to the Board at the annual general meeting of the Company held on 20 July 2005.

Quam Securities intends to place the Placing Shares to not less than six independent institutional, corporate and/or individual investors. The placees and their respective ultimate beneficial owners will be third parties independent of the Company and its connected persons.

CHANGE OF PRINCIPAL PLACE OF BUSINESS

The Company also announces that the principal place of business of the Company was changed to Room 1805-06, 18/F Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with effect from 2 June 2006.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

Trading in the Shares was suspended with effect from 9:30 a.m. on 2 June 2006 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 5 June 2006.

INTRODUCTION

The Company announces that on 1 June 2006, the Company and Quam Securities entered into the Placing Agreement, pursuant to which Quam Securities has agreed to place, on a best endeavour basis, up to 60,000,000 new Shares, at the Placing Price of HK\$0.30 per Share.

THE PLACING AGREEMENT

Date

1 June 2006

Issuer

The Company

Placing agent

Quam Securities has been appointed as the exclusive placing agent for the Placing on a best endeavour basis. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Quam Securities and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Quam Securities will receive a placement commission of 2.5% on the gross proceeds of the Placing.

Number of Placing Shares

Pursuant to the Placing Agreement, Quam Securities has agreed to place up to 60,000,000 new Shares on a best endeavour basis, representing:

- (i) around 14.8% of the Company's existing issued share capital; and

- (ii) around 12.9% of the Company's issued share capital as enlarged by the issue of the Placing Shares.

The Placing Shares will be issued under the general mandate granted to the Board at the annual general meeting of the Company held on 20 July 2005. Up to the date of this announcement, the Company has not issued any Shares pursuant to the general mandate.

The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares currently in issue. The Placing Shares will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.

The Placing will be conducted on a best endeavour basis by Quam Securities. An announcement will be made by the Company in the event that not all the Placing Shares are placed.

Placing Price

The Placing Price of HK\$0.30 represents:

- (i) a discount of around 4.8% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of around 6.0% to the average closing price of about HK\$0.319 per Share for the last 5 trading days up to and including the Last Trading Day; and
- (iii) a discount of around 6.5% to the average closing price of about HK\$0.321 per Share for the last 10 trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and Quam Securities with reference to the then prevailing prices of the Share. The Board considers that the Placing Price is fair and reasonable so far as the Company and the shareholders of the Company are concerned.

Placees

Quam Securities intend to place the Placing Shares to not less than six independent institutional, corporate and/or individual investors. The placees and their respective ultimate beneficial owners will be third parties independent of the Company and its connected persons. It is expected that no placee will become a substantial shareholder of the Company immediately following the Placing. In the event that any of the placees becomes a substantial shareholder of the Company, the Company will make an announcement in this regard.

Shareholding structure of the Company

The following table sets out the existing shareholding structure of the Company and the shareholding structure immediately after completion of the Placing:

	Existing shareholding structure		Shareholding structure immediately after completion of the Placing (Note 1)	
	<i>Number of Shares</i>		<i>Number of Shares</i>	
Starryland Profits Limited (Note 2)	202,500,000	50.0%	202,500,000	43.5%
Union Bridge Power Systems Limited	75,000,000	18.5%	75,000,000	16.1%
Wan Kin Chung (Note 3)	300,000	0.1%	300,000	0.1%
Wong Tak Shing (Note 3)	3,750,000	0.9%	3,750,000	0.8%
Cheng Kwong Chung (Note 3)	3,750,000	0.9%	3,750,000	0.8%
Public – existing shareholders	119,700,000	29.6%	119,700,000	25.8%
Public – placees	–	–	60,000,000	12.9%
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>405,000,000</u>	<u>100.0%</u>	<u>465,000,000</u>	<u>100.0%</u>

Notes:

1. Assuming that 60,000,000 Placing Shares will be issued upon completion of the Placing and no new Shares will be issued prior to completion of the Placing.
2. Starryland Profits Limited is wholly and beneficially owned by Mr. Lau Kim Hung, Jack.
3. Messrs Wan Kin Chung, Wong Tak Shing and Cheng Kwong Chung are executive Directors.

Conditions of the Placing

The Placing is conditional upon: (i) the granting by the GEM Listing Committee or the Listing Division of the Stock Exchange of the listing of, and permission to deal in, the Placing Shares; and (ii) the Company obtaining all necessary consents and approvals in relation to the Placing from the relevant authorities, if applicable.

The Placing is expected to complete on or before 21 June 2006 or such other date as the parties to the Placing Agreement may agree in writing.

Completion of the Placing

Completion shall take place at 4:00 p.m. on the third business day after the fulfillment of all the conditions as set out in the section headed “Conditions of the Placing” (or such other date as the parties to the Placing Agreement may agree in writing).

An announcement with respect to the results of the allotment will be issued in accordance with the requirements of the GEM Listing Rules.

APPLICATION TO THE STOCK EXCHANGE

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the research, development and provision of information-on-demand system solutions and the provision of related products and services as well as the provision of a full range of design, engineering and manufacturing services to high-end brand-named users in the industry.

The maximum net proceeds of the Placing are estimated to be around HK\$17.1 million, and the net price for each Placing Share is therefore equivalent to about HK\$0.29 each. The Directors currently intend to apply up to HK\$12 million for any investments that will enhance the Group’s future development and the balance will be used as the general working capital of the Group. The Company does not have any concrete plans in respect of the new investments to be pursued.

The Directors have considered various fund raising methods and believed that taking into account of the prevailing market conditions, the Placing represented an opportunity for the Group to raise equity capital for its future development. In addition, the Placing will broaden the Company’s shareholder base and strengthen its capital base. The Directors also consider that the terms of the Placing Agreement are under normal commercial terms. Therefore, the Directors consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company has not conducted any other equity fund raising exercises in the 12 months immediately preceding the date of this announcement.

Change of principal place of business

The Company also announces that the principal place of business of the Company was changed to Room 1805-06, 18/F Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with effect from 2 June 2006.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

Trading in the Shares was suspended with effect from 9:30 a.m. on 2 June 2006 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 5 June 2006.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	IA International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“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
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Last Trading Day”	1 June 2006, being the last trading day immediately prior to the suspension of trading in the Shares pending the issue of this announcement
“Placing”	the private placing of the Placing Shares at the Placing Price each by Quam Securities pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 1 June 2006 between the Company and Quam Securities in relation to the Placing
“Placing Price”	HK\$0.30 per Placing Share

“Placing Share(s)”	up to 60,000,000 new Shares to be issued pursuant to the Placing Agreement
“Quam Securities”	Quam Securities Company Limited, the placing agent
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
IA INTERNATIONAL HOLDINGS LIMITED
Wan Kin Chung
Director

Hong Kong, 2 June 2006

As at the date of this announcement, the Board comprises three executive Directors, namely Messrs Wan Kin Chung, Wong Tak Shing and Cheng Kwong Chung and three independent non-executive Directors, namely Messrs Kwok Chi Sun, Vincent, Yeung Kam Yan and Chan Wing Chiu.

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 enquires, confirm that, to the best of their knowledge and belief that: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting.

** For identification purpose only*