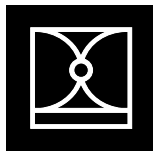


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INNO-TECH HOLDINGS LIMITED
匯 創 控 股 有 限 公 司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8202)

**PLACING OF NEW SHARES
AND
SUBSCRIPTION FOR NEW SHARES**

PLACING OF NEW SHARES

On 29 October 2008, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 100,000,000 Placing Shares at the Placing Price of HK\$0.087 per Placing Share.

SUBSCRIPTION FOR NEW SHARES

On 29 October 2008, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue the 135,000,000 Subscription Shares at the Subscription Price of HK\$0.087 per Subscription Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed in the announcement, each of the Subscriber and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

* *for identification purpose only*

A. PLACING OF NEW SHARES

Placing Agreement dated 29 October 2008

Parties

- (i) the Company; and
- (ii) the Placing Agent as placing agent of the Placing

Number of Placing Shares

Up to 100,000,000 Placing Shares, representing approximately 7.16% of the existing issued share capital of the Company of 1,395,707,152 Shares and approximately 6.69% of the issued share capital of the Company of 1,495,707,152 Shares as enlarged by the Placing Shares.

The Placees

Not less than six independent professional, institutional and/or individual investors to be procured by the Placing Agent on a best effort basis.

Placing Price

HK\$0.087 per Placing Share, which is determined on an arm's length basis. The Directors consider the Placing Price to be fair and reasonable.

The Placing Price represents:

- (i) a discount of approximately 3.33% to the closing price of HK\$0.09 per Share as stated in the daily quotation sheet of the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13% to the average closing price of HK\$0.1 per Share as stated in the daily quotation sheet of the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 27.2% to average closing price of HK\$0.1195 per Share as stated in the daily quotation sheet of the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Ranking of Placing Shares

The Placing Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Independence of the Placing Agent and the placees

The Placing Agent and its ultimate beneficial owners and the placees and their respective ultimate beneficial owners are independent of and not acting in concert with or connected with each other, the directors, chief executive, substantial shareholders or management shareholder of the Company or any of its subsidiaries or an associate of any of them or any other shareholders of the Company.

Completion of Placing

The Placing is expected to be completed within 5 days from the date of fulfillment of the condition precedent set out below or such later date as the Company and the Placing Agent may agree in writing.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

If the above condition precedent of the Placing Agreement is not fulfilled within 30 days from the date of the Placing Agreement or such other date as the parties to the Placing Agreement may agree in writing, the Placing Agreement shall terminate.

General Mandate to issue the Placing Shares

The Placing Shares will be issued under the General Mandate. As at the date of this announcement, the General Mandate has never been utilized.

B. SUBSCRIPTION FOR NEW SHARES

Subscription Agreement dated 29 October 2008

Parties

- (i) the Company; and
- (ii) the Subscriber. The sole shareholder of the Subscriber is Mr. Lai Yiu Keung who as at the date of the announcement is interested in 3,000,000 Shares, representing approximately 0.21% of the total issued share capital of the Company.

Mr. Lai Yiu Keung is a social acquaintance of the Directors. He is interested in the business plans of the Company and agreed to subscribe for the Subscription Shares when he understood the Company would like to explore possible fund raising avenues to finance its future plans.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed, each of the Subscriber and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons.

Number of Subscription Shares

Up to 135,000,000 Subscription Shares, representing approximately 9.67% of the existing issued share capital of the Company of 1,395,707,152 Shares and approximately 8.82% of the issued share capital of the Company of 1,530,707,152 Shares as enlarged by the Subscription Shares.

Subscription Price

HK\$0.087 per Subscription Share, which was determined on an arm's length basis. The Directors consider the Subscription Price to be fair and reasonable.

The Subscription Price represents:

- (i) a discount of approximately 3.33% to the closing price of HK\$0.09 per Share as stated in the daily quotation sheet of the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13% to the average closing price of approximately HK\$0.1 per Share as stated in the daily quotation sheet of the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 27.2% to the average closing price of approximately HK\$0.1195 per Share as stated in the daily quotation sheet of the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Completion of Subscription

The Subscription is expected to be completed within 5 days from the date of fulfillment of the condition precedent set out below or such late date as the Company and the subscriber may agree in writing.

Conditions of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares.

If the above condition precedent of the Subscription Agreement is not fulfilled within 30 days from the date of the Subscription Agreement or such later date as the parties to the Subscription Agreement may agree in writing, the Subscription Agreement shall terminate.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate. As at the date of this announcement, the General Mandate has never been utilized.

C. EFFECT OF THE PLACING AND THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The effect of the Placing and the Subscription on the shareholding structure of the Company (assuming no exercise of the outstanding options under the share option scheme of the Company) is set out below:

	Before completion of the Placing and the Subscription		After completion of the Placing but before completion of the Subscription		After completion of the Placing and the Subscription	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Substantial Shareholders and Parties Acting in Concert						
Multiturn Trading Limited (Note)	97,362,000	6.98	97,362,000	6.51	97,362,000	5.97
Ms. Wong Yuen Yee (Note)	144,030,597	10.32	144,030,597	9.63	144,030,597	8.83
Mr. Wong Yao Wing (Note)	144,030,596	10.32	144,030,597	9.63	144,030,597	8.83
Mr. Wong Kwok Sing (Note)	7,678,500	0.55	7,678,500	0.51	7,678,500	0.47
Mr. Lam Shiu San (Note)	6,018,500	0.43	6,018,500	0.40	6,018,500	0.37
Ms. Wong Yuen Man, Alice (Note)	12,375	0	12,375	0	12,375	0
Subtotal:	<u>399,132,568</u>	<u>28.60</u>	<u>399,132,568</u>	<u>26.69</u>	<u>399,132,568</u>	<u>24.48</u>
Public Shareholders						
Places	0	0	100,000,000	6.69	100,000,000	6.13
Subscriber	0	0	0	0	135,000,000	8.28
Other Public Shareholders	<u>996,574,584</u>	<u>71.40</u>	<u>996,574,584</u>	<u>66.63</u>	<u>996,574,584</u>	<u>61.11</u>
Total:	<u>1,395,707,152</u>	<u>100</u>	<u>1,495,707,152</u>	<u>100</u>	<u>1,630,707,152</u>	<u>100</u>

Note: Multiturn Trading Limited is beneficially owned as to 31.21%, 30.9%, 30.9% and 6.99% by Ms. Wong Yuen Yee, Mr. Wong Yao Wing, Robert, Mr. Wong Kwok Sing and Mr. Lam Shiu San respectively. Ms Wong Yuen Man, Alice is the sister of Ms. Wong Yuen Yee. Multiturn Trading Limited, Ms. Wong Yuen Yee, Mr. Wong Yao Wing, Robert, Mr. Wong Kwok Sing, Mr. Lam Shiu San and Ms. Wong Yuen Man, Alice are parties acting in concert under the Takeovers Code.

D. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 15 July 2008, the Company announced the subscription of 48,852,097 new Shares and 58,852,096 new Shares by Ms. Wong Yuen Yee and Mr. Wong Yao Wing, Robert respectively which was completed on 29 August 2008. The net proceeds in the amount of approximately HK\$39.55 million was intended to be used to develop and expand the hotel business of the Group by hotel property acquisitions and/or hotel lease operations; and to finance the research and development capability and as general working capital of the Group's principal business in the application of i-Panel and its integrated hardware and software service provision to its expanding hotel business. As at the date of this announcement, approximately HK\$20 million has been utilized as to 90% in the hotel business and as to 10% in the business of i-Panel and its integrated hardware and software service. It is the Company's plan to utilize the remaining amount of approximately HK\$19.55 million in the same businesses.

Save as disclosed in this announcement, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

E. USE OF PROCEEDS AND REASONS FOR THE PLACING AND THE SUBSCRIPTION

The maximum gross proceeds of the Placing will be approximately HK\$8,700,000 whilst the total subscription monies payable by the Subscriber to the Company will be approximately HK\$11,745,000. After deducting a placing commission at 2%, professional fees and other expenses in respect of which the Company is liable for in relation to the Placing and the Subscription, the maximum net proceeds from the Placing and the Subscription is estimated to be approximately HK\$20,195,000. The net price of each Subscription Share and Placing Share will be approximately HK\$0.0859. The aggregate nominal value of the Placing Shares and the Subscription Shares is HK\$4,700,000.

The Directors are of the view that the placing commission at 2% is fair and reasonable as it was agreed on an arm's length basis and in line with the market rate.

The net proceeds from the Subscription and the Placing will be used to develop and expand the hotel business of the Group as the Group has been actively exploring and identifying suitable economy hotel projects which the Board is of the opinion that would improve and strengthen the financial results of the Group; and to finance the research and development capability and as general working capital of the Group's principal business in the application of i-Panel and its integrated hardware and software service provision to its expanding hotel business.

The Group is a software application solutions provider engaged in the provision of internet design for residential communities and e-property management software application consulting services based on the application of i-Panel and its integrated hardware and software in the PRC. The Group also operates and manages medical institutes and economy hotels in the PRC.

The Directors considered the terms of the Placing and the Subscription to be fair and reasonable and that the Placing and the Subscription offer an ideal opportunity for raising the necessary funds and to broaden the shareholders' base of the Company.

F. DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“associates”	has the meaning ascribed in the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Inno-Tech Holdings Limited (匯創控股有限公司)*, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM;
“Directors”	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;
“General Mandate”	the general unconditional mandate to issue 235,675,880 Shares granted to the Directors at the annual general meeting of the Company held on 2 August 2007;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	29 October 2008, being the last full trading day for the Shares immediately before the issue of this announcement;
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement;
“Placing Agent”	President Securities (Hong Kong) Limited, a licensed corporation under the SFO to carry out regulated activities types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management);
“Placing Agreement”	the placing agreement dated 29 October 2008 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares;
“Placing Price”	HK\$0.087 per Placing Share;
“Placing Shares”	up to 100,000,000 new Shares to be placed by the Placing Agent;

* *for identification purpose only*

“PRC”	The People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Shares”	shares of HK\$0.02 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	City Beat Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 29 October 2008 entered into between the Subscriber and the Company in relation to the Subscription;
“Subscription Price”	HK\$0.087 per Subscription Share;
“Subscription Shares”	135,000,000 new Shares; and
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers.

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

Hong Kong, 29 October 2008

As at the date of this announcement, the Board comprises four executive Directors, namely, Ms. Wong Yuen Yee (Chairman), Mr. Wong Yao Wing, Robert (Deputy Chairman), Mr. Wong Kwok Sing and Mr. Lam Shiu San; and three independent non-executive Directors, namely Mr. Wong Tak Leung, Charles, Mr. Lai Ying Sum and Mr. Cheng King Hung.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com and on the website of the Company at www.it-holdings.com for 7 days from the date of this posting.