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IIN INTERNATIONAL LIMITED

國訊國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

SUBSCRIPTION AGREEMENT

On 27 January 2006, the Company entered into the Subscription Agreement with the Subscriber whereby the Company has agreed to issue and allot to the Subscriber and the Subscriber has agreed to subscribe for the Subscription Shares.

The Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Subscription Price of HK\$0.078 per Subscription Share represents (i) a premium of approximately 254.55% to the closing price of HK\$0.022 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 302.06% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.0194 for the past 5 Trading Days up to and including the Last Trading Day; and (iii) a premium of approximately 317.11% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.0187 for the past 10 Trading Days up to and including the Last Trading Day.

The Subscription Shares represent (i) 5.51% of the existing issued Shares; (ii) approximately 5.22% of the then issued Shares as enlarged by the Subscription.

Completion of the Subscription is conditional upon, inter alia, the GEM Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares on or before 28 February 2006 or such other date as the Company and the Subscriber may mutually agree in writing.

Out of the net proceeds from the Subscription of HK\$6.25 million, the Board intends to apply not less than HK\$5.625 million for the research and development of radio frequency identification projects and related projects and not more than HK\$0.625 million as general working capital.

RESUMPTION OF TRADING

Trading in the Shares was suspended with effect from 9:30 a.m. on 1 February 2006 at the request of the Company pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 6 February 2006.

THE SUBSCRIPTION AGREEMENT DATED 27 JANUARY 2006

Parties

- (i) the Company; and
- (ii) the Subscriber.

The Company has conditionally agreed to issue and allot to the Subscriber and the Subscriber has conditionally agreed to subscribe the Subscription Shares.

The Subscriber and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Subscription Price

The Subscription Price is HK\$0.078 per Subscription Share, which was arrived at after arm's length negotiation and on normal commercial terms between the Company and the Subscriber. The Subscription Price was determined at the nominal value of US\$0.01 (equivalent to HK\$0.078) per Subscription Share.

The Subscription Price represents (i) a premium of approximately 254.55% to the closing price of HK\$0.022 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 302.06% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.0194 for the past 5 Trading Days up to and including the Last Trading Day; and (iii) a premium of approximately 317.11% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.0187 for the past 10 Trading Days up to and including the Last Trading Day.

The above illustrated huge premiums to the Company's closing and average closing price per Share is due to the Subscriber's view that it is confident in the positive effect on the prospect of the Company as a result of the Company's application of the proceeds of the Subscription for the purpose of the radio frequency identification project and related projects.

Subscription Shares

The Subscription Shares represent (i) 5.51% of the existing issued Shares; (ii) approximately 5.22% of the then issued Shares as enlarged by the Subscription. The aggregate nominal value of the Subscription Shares is US\$850,000 (equivalent to approximately HK\$6,630,000). The gross and net Subscription Price per Subscription Share are HK\$0.078 and approximately HK\$0.0735 respectively.

The Subscription Shares will rank pari passu in all respects with the Shares in issue on the date of allotment of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon the satisfaction of the following conditions on or before 28 February 2006 or such other date as the Company and the Subscriber may mutually agree in writing:

- (1) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares;
- (2) the passing of resolutions of the board of the Company approving the Subscription Agreement and the transactions contemplated thereunder;
- (3) the general mandate granted by the shareholders to the directors of the Company on 28 January 2005 to allot, issue and deal with additional Shares being valid and sufficient for the allotment and issue of the Shares being subscribed under the Subscription Agreement or, in the event that the general mandate has expired, the passing by the shareholders of the Company at the forthcoming annual general meeting to be held on 3 February 2006 of an ordinary resolution in the terms set out under paragraph 4A of the relevant notice of annual general meeting;
- (4) the passing of resolutions of the board of the Subscriber approving the Subscription Agreement and the transactions contemplated thereunder; and
- (5) the obtaining by the parties of the Subscription Agreement of all other necessary consents, authorization or other approvals in connection with the issue of the Subscription Shares and the entering into and performance by the parties of the Subscription Agreement, including but not limited to, consents, authorization or approvals of the Stock Exchange, any regulatory or any government authorities as may be required under the GEM Listing Rules or the applicable laws.

If the Subscription Agreement does not become unconditional on or before 28 February 2006 or such other date as the Company and the Subscriber may mutually agree in writing, the Subscription Agreement will terminate and none of the Company and the Subscriber shall have any claim against the other for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

Completion

Completion of the Subscription shall take place on or before the fifth Business Day after the Subscription Agreement becomes unconditional, or such other date as the Company and the Subscriber may agree in writing.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

The shareholding structure of the Company's issued Shares immediately before and after completion of the Subscription are summarised as follows:

Name	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Subscription only	
	<i>Shares</i>	<i>approximately</i> %	<i>Shares</i>	<i>approximately</i> %
Multico Holdings Limited ("MHL")	362,948,350	23.52%	362,948,350	22.29%
Huiya South China Investments Limited ("Huiya")	9,040,000	0.59%	9,040,000	0.55%
Sub-total (Note 1):	371,988,350	24.11%	371,988,350	22.84%
Mr. Wu Shu Min (Note 2)	154,823,000	10.03%	154,823,000	9.51%
Mr. Chang Ye Min, William (Note 2)	6,840,000	0.44%	6,840,000	0.42%
Mr. Zhu Rong (Note 3)	86,894,000	5.63%	86,894,000	5.34%
Subscriber	–	–	85,000,000	5.22%
Public Shareholders	922,615,120	59.79%	922,615,120	56.67%
Total:	1,543,160,470	100%	1,628,160,470	100%

Notes:

1. MHL and Huiya held 362,948,350 Shares and 9,040,000 Shares respectively and the sole shareholder of MHL and Huiya is Transpac Nominces Pte Ltd. (“TNPL”) which in turn is a wholly-owned subsidiary of Transpac Capital Pte Ltd. (“TCPL”). Both TNPL and TCPL are therefore deemed to be interested in 371,988,350 Shares in which MHL and Huiya are interested.
2. Mr. Wu Shu Min and Mr. Chang Ye Min, William are Directors of the Company.
3. Mr. Zhu Rong was a Director of the Company and had resigned on 28 January 2005.

BACKGROUND OF THE SUBSCRIBER

The Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The Subscriber is a partnership fund established in Japan and is principally engaged in investment holding activities. The Subscriber invests mostly in listed and unlisted entities in the Greater China region. The Directors would like to confirm that the Subscriber does not have any prior business relationships, dealings with or shareholding in the Company and its connected persons.

The Company has received written confirmation from the Subscriber and confirm that (1) the Subscriber is a private equity investment partnership fund established in Japan; (2) the Subscriber consists of two general partners and other limited partners, the information of which are subject to confidentiality requirements under the Japanese civil code and may not be disclosed; (3) the general partners of the Subscriber are responsible for managing the entire operation of the Subscriber and its fund, including the making of investment decisions, whereas the limited partners are the beneficiaries of the Subscriber; and (4) after conducting sufficient due diligence exercise by the Subscriber, all limited partners and general partners of the Subscriber are third parties independent of the Company and its connected persons.

As provided in the Subscription Agreement, the Subscriber shall have a right to request the Company to appoint one person to be nominated by the Subscriber as director of the Company. Should the Subscriber request for the appointment of such director, the Company will make appropriate disclosure accordingly.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Company is a limited liability company incorporated in the Cayman Islands. The Company is a network solution provider in the PRC which principal activity is the provision of network solutions to the PRC telecommunications service providers (primarily fixed line, mobile and data communications operators).

The gross and net proceeds from the Subscription are estimated to be approximately HK\$6.63 million and HK\$6.25 million respectively. The Board intends to apply over 90% of the net proceeds from the Subscription of not less than HK\$5.625 million for the research and development of radio frequency identification projects and related projects while the balance of not more than HK\$0.625 million will be used for general working capital. The radio frequency identification technology (非接觸式射頻識別技術) has a wide range of applications, in particular, the logistic industry for the tracking of goods and merchandise. The radio frequency identification projects and related projects aim to develop commercial applications of such technology on the existing technical knowhow on solutions development possessed by the Group. The Group intends to apply such technology to create logistic management solutions which may then be sold to logistics companies to be used to improve the effectiveness of logistics management. The Board is of the view that such projects will positively contribute to the revenue of the Group.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

There was no fund raised on any issue of equity securities by the Company for the 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

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

ISSUE OF THE SUBSCRIPTION SHARES PURSUANT TO GENERAL MANDATE

The Subscription Shares will be allotted and issued by the Company pursuant to the general mandate to allot and issue up to an aggregate of 308,632,094 Shares which is equivalent to 20% of the issued share capital of the Company as at 3 February 2006 granted to the Directors at the Company's annual general meeting held on 3 February 2006.

PUBLICATION OF FIRST QUARTERLY RESULTS

Reference is made to a notice of Board meeting dated 27 January 2006, whereby the Company announced that a meeting of the Board will be held on 13 February 2006 to consider and approve the unaudited first quarterly results of the Group for the three months ended 31 December 2005 and approve the draft announcement of the unaudited first quarterly results of the Group to be published on the GEM website. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares was suspended with effect from 9:30 a.m. on 1 February 2006 at the request of the Company pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 6 February 2006.

DEFINITIONS

“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day not being Saturday on which the banks are generally open for business in Hong Kong throughout their business hours
“Company”	IIN International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the same 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 Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Last Trading Day”	27 January 2006, being the last trading day prior to the date of this announcement
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of US\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	AG Investment No.1 Investment Partnership, a partnership fund established in Japan
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement at the Subscription Price
“Subscription Agreement”	the conditional subscription agreement dated 27 January 2006 entered into between the Company and the Subscriber in relation to the Subscription subject to the terms and conditions contained therein
“Subscription Price”	HK\$0.078 per Subscription Share
“Subscription Share(s)”	85,000,000 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement upon completion of the Subscription
“Trading Day(s)”	trading day(s) for the Shares on the Stock Exchange
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Wu Shu Min, Mr. Jin Feng, Mr. Chang Xiao Hui and Mr. Li Jun Chao as executive Directors, Mr. Leong Ka Cheong, Christopher and Mr. Chang Ye Min, William as non-executive Directors, Mr. Liu Yang, Mr. Li Junlin and Mr. Jin Dunshen as independent non-executive Directors.

By order of the Board of
IIN International Limited
Wu Shu Min
Chairman

Hong Kong, 3 February 2006

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 Announcement” page on the GEM website for at least 7 days from the date of publication.

* *for identification purposes only*