



IIN INTERNATIONAL LIMITED

國訊國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

ANNOUNCEMENT

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“the GEM Listing”)

The Board of Directors (“the Board”) of IIN International Limited (“the Company”) announces that as notified by Chengdu TM Network Corporation (“Chengdu TM”), a subsidiary of 51% of its equity interest indirectly owned by the Company, a judgment notice dated 31 December 2006 (“the Judgment”) issued by China International Economic And Trade Arbitration Commission (“the Commission”) was received.

The Board provides that, as background information, Chengdu TM entered a purchase contract with Siemens Communication Networks Ltd., Beijing 北京西門子通信網絡股份有限公司 (“Siemens”) on 20 September 2004 (“the Contract”) for purchase and procurement of Juniper router equipment and service with a total contract sum of RMB9,841,902.23. After two payments with a total amount of RMB2,952,570.67 were paid to Siemens in September 2004 and December 2004, Chengdu TM failed to settle the balance of the Contract amount. Siemens has filed a claim to the Commission to request Chengdu TM to settle the outstanding amount of RMB6,889,331.56 and further request for a penalty for violation of the Contract for an amount of RMB344,466.58 (“the Penalty Sum”). In addition, Hunan IIN International Company Limited, a wholly-owned subsidiary of the Company, had provided a guarantee to Siemens for the Contract.

According to the Judgment, Chengdu TM shall within 30 days from the date of Judgment notice:

- 1) pay to Siemens the outstanding amount of RMB6,889,331.56;
- 2) pay to Siemens the Penalty Sum of RMB344,466.58; and
- 3) pay to Siemens the arbitration fee of RMB96,654.

As advised by Chengdu TM that they are presently incapable of settling the outstanding amount, the penalty sum and the arbitration fee. The board of directors of Chengdu TM resolved that they will try to resolve this matter with Siemens through friendly negotiation.

The Company will keep the public informed of the progress of the abovementioned matter and further announcement will be made as and when necessary.

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Wu Shu Min and Mr. Xu Zhi Feng as executive Directors, Mr. Yukihiko Izutsu as non-executive Director, 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, 29 January 2007

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*