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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

The Board announces that on 5 November 2007, the Purchaser entered into the MOU with the Vendor in relation to the Possible Acquisition.

The MOU is not intended to be legally binding between the Vendor and the Purchaser in relation to the Possible Acquisition subject to the execution of the Formal Agreement by the parties.

The Board wishes to emphasise that no legally binding agreement in relation to the Possible Acquisition has been entered into by the parties as at the date of this announcement. **As the Formal Agreement in respect of the Possible Acquisition may or may not be entered into, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Agreement, if it materialises, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should the Formal Agreement has been entered into.

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

POSSIBLE ACQUISITION

The board (“**Board**”) of directors (the “**Directors**”) of IIN International Limited (the “**Company**”) announces that on 5 November 2007, II Networks International Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with Ever Sincere Investment Limited (the “**Vendor**”), a company incorporated in the British Virgin Islands, in relation to the possible acquisition (the “**Possible Acquisition**”) of not less than 51% but not more than 100% issued share capital of a company incorporated in the British Virgin Islands (the “**BVI Co**”). The exact percentage of issued share capital of the BVI Co to be acquired by the Purchaser shall be subject to further negotiation between the parties hereto.

The BVI Co is directly and indirectly holding a group of companies which are principally engaged in the research and development, usage of renewable ground-source energy as alternative energy sources for heating and cooling which would achieve energy saving, environmental protection, low-cost and safe operation for the use of new energy resources.

The consideration for the Possible Acquisition shall be approximately HK\$704,000,000 and subject to further negotiations between the Purchaser and the Vendor. The consideration may be settled by (i) cash; or (ii) the Purchaser procuring the Company to issue consideration shares (the “**Consideration Shares**”) or convertible bonds (the “**Convertible Bonds**”) at the issue or conversion price of HK\$0.30 per share of the Company, which shall be subject to further negotiations between the Purchaser and the Vendor.

The conditions precedent for the completion of the Possible Acquisition are as follows:

- (a) the Purchaser being satisfied with the due diligence results on the BVI Co and its subsidiaries;
- (b) the Stock Exchange having granted the listing for, and permission to deal in, the Consideration Shares or shares of the Company to be converted under the Convertible Bonds;
- (c) the passing of the relevant resolution(s) at the general meeting by the shareholders of the Purchaser and the Company for approving the Possible Acquisition, the MOU and the transactions contemplated therein (if required);
- (d) the entering into the formal agreement (the “**Formal Agreement**”) for the Possible Acquisition between the Vendor and the Purchaser within 60 days from the date of the MOU or such later date as the Vendor and the Purchaser may agree; and
- (e) all consents, approvals and permissions required in relation to the Possible Acquisition having been obtained.

Pursuant to the MOU, the Vendor guaranteed that the accumulated net profit (after tax) of the BVI Co shall not be less than HK\$200,000,000 for the two years immediately following the completion of the Possible Acquisition.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of and not connected with the Company and its subsidiaries, the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the GEM Listing Rules.

The MOU is not intended to be legally binding between the Vendor and the Purchaser in relation to the Possible Acquisition subject to the execution of the Formal Agreement by the parties.

The Board wishes to emphasise that no legally binding agreement in relation to the Possible Acquisition has been entered into by the parties as at the date of this announcement. **As the Formal Agreement in respect of the Possible Acquisition may or may not be entered into, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Agreement, if it materialises, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should the Formal Agreement has been entered into.

By Order of the Board
IIN International Limited
Wu Shu Min
Director

Hong Kong, 5 November 2007

As at the date of this announcement, the Board consists of Mr. Wu Shu Min, Mr. Fu Hui Zhong and Mr. Xu Zhi Feng (all being executive Directors), and Mr. Liu Yang, Mr. Li Junlin and Mr. Jin Dunshen (all being independent non-executive Directors).

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: (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 at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least seven days from the date of its publication and on the website of the Company at www.iini.com.

* *for identification purposes only*