



## IIN INTERNATIONAL LIMITED

國訊國際有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8128)

### FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

#### **Characteristics of the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)**

The GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on the GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

The principal means of information dissemination on the GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on the GEM-listed issuers.

*The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement, for which the directors of IIN International Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to IIN International Limited. The directors of IIN International Limited, 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.iini.com](http://www.iini.com).*

\* For identification purpose only

The board of directors (“Directors”) of IIN International Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 September 2007, together with the comparative figures for the previous year as follows:

## CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2007

	<i>Note</i>	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
<b>Turnover</b>	5	<b>106,369</b>	71,013
Cost of sales		<u>(94,293)</u>	<u>(61,262)</u>
<b>Gross profit</b>		<b>12,076</b>	9,751
Other revenue and income	6	<b>21,815</b>	4,795
Selling and distribution costs		<b>(4,441)</b>	(3,822)
Administrative expenses		<b>(14,308)</b>	(13,624)
Other operating expenses		<u>(8,032)</u>	<u>(7,877)</u>
<b>Profit/(loss) from operations</b>	7	<b>7,110</b>	(10,777)
Finance costs	8	<u>(2,690)</u>	<u>(2,455)</u>
<b>Profit/(loss) before tax</b>		<b>4,420</b>	(13,232)
Income tax expense	9	<u>(1,153)</u>	<u>(1,056)</u>
<b>Profit/(loss) for the year</b>		<u><b>3,267</b></u>	<u>(14,288)</u>
<b>Attributable to:</b>			
Equity holders of the Company		<b>2,594</b>	(16,204)
Minority interests		<u><b>673</b></u>	<u>1,916</u>
<b>Profit/(loss) for the year</b>		<u><b>3,267</b></u>	<u>(14,288)</u>
<b>Earnings/(loss) per share attributable to equity holders of the Company during the year</b>	<i>11</i>		
Basic		<u><b>HK0.13 cents</b></u>	<u>HK(1.02 cents)</u>
Diluted		<u><b>HK0.13 cents</b></u>	<u>HK(1.02 cents)</u>

# CONSOLIDATED BALANCE SHEET

As at 30 September 2007

	Note	2007 HK\$'000	2006 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		17,373	12,781
Prepaid land lease payments		3,498	3,371
Club membership		–	379
Goodwill		1,269	–
		<u>22,140</u>	<u>16,531</u>
<b>Current assets</b>			
Inventories		4,776	5,578
Financial assets at fair value through profit or loss		38,500	–
Trade receivables	12	36,910	32,103
Prepayments, deposits and other receivables		33,940	2,719
Pledged deposits		790	59
Cash and cash equivalents		91,400	3,458
		<u>206,316</u>	<u>43,917</u>
<b>Current liabilities</b>			
Trade and bills payables	13	13,039	17,929
Borrowings		31,793	27,522
Amounts due to directors		334	1,394
Accrued liabilities, deposits received and other payables		31,183	20,768
Tax payable		5,214	4,565
		<u>81,563</u>	<u>72,178</u>
<b>Net current assets/(liabilities)</b>		<u>124,753</u>	<u>(28,261)</u>
<b>Net assets/(liabilities)</b>		<u><u>146,893</u></u>	<u><u>(11,730)</u></u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		230,667	126,989
Reserves		(99,899)	(148,914)
		<u>130,768</u>	<u>(21,925)</u>
Minority interests		16,125	10,195
<b>Total equity</b>		<u><u>146,893</u></u>	<u><u>(11,730)</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Company										
	Issued share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Asset revaluation reserve <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Minority interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2005	120,359	54,964	-	4	4,698	-	(13)	(192,670)	(12,658)	7,981	(4,677)
Issuance of new shares	6,630	-	-	-	-	-	-	-	6,630	-	6,630
Surplus realised upon disposal of revalued assets	-	-	-	-	(4,243)	-	-	4,243	-	-	-
Surplus arising on revaluation of buildings	-	-	-	-	311	-	-	-	311	298	609
Currency translation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Net income and expenses recognised directly in equity	-	-	-	-	311	-	(4)	-	307	298	605
Net profit/(loss) for the year	-	-	-	-	-	-	-	(16,204)	(16,204)	1,916	(14,288)
Total recognised income and expenses for the year	-	-	-	-	311	-	(4)	(16,204)	(15,897)	2,214	(13,683)
At 30 September 2006	<u>126,989</u>	<u>54,964</u>	<u>-</u>	<u>4</u>	<u>766</u>	<u>-</u>	<u>(17)</u>	<u>(204,631)</u>	<u>(21,925)</u>	<u>10,195</u>	<u>(11,730)</u>
At 1 October 2006	126,989	54,964	-	4	766	-	(17)	(204,631)	(21,925)	10,195	(11,730)
Issuance of new shares	103,678	47,535	-	-	-	-	-	-	151,213	-	151,213
Share issue expenses	-	(1,678)	-	-	-	-	-	-	(1,678)	-	(1,678)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	129	129
Increase in equity of subsidiary	-	-	-	-	-	-	-	-	-	4,309	4,309
Share-based payment expenses	-	-	-	-	-	779	-	-	779	-	779
Surplus arising on revaluation of buildings	-	-	-	-	852	-	-	-	852	819	1,671
Currency translation	-	-	-	-	-	-	(1,067)	-	(1,067)	-	(1,067)
Net income and expenses recognised directly in equity	-	-	-	-	852	779	(1,067)	-	564	819	1,383
Net profit for the year	-	-	-	-	-	-	-	2,594	2,594	673	3,267
Total recognised income and expenses for the year	-	-	-	-	852	779	(1,067)	2,594	3,158	1,492	4,650
At 30 September 2007	<u>230,667</u>	<u>100,821</u>	<u>-</u>	<u>4</u>	<u>1,618</u>	<u>779</u>	<u>(1,084)</u>	<u>(202,037)</u>	<u>130,768</u>	<u>16,125</u>	<u>146,893</u>

## **EXTRACT OF REPORT OF THE AUDITORS**

### **Basis for qualified opinion**

The corresponding figures in the current year's consolidated financial statements were derived from the consolidated financial statements for the year ended 30 September 2006 which was audited by another auditor whose report dated 29 December 2006 was disclaimed in view of the fundamental uncertainty relating to the going concern basis of the consolidated financial statements. We are unable to obtain sufficient reliable evidence to satisfy ourselves as to whether the net liabilities of the Company and of the Group as at 30 September 2006 and the results and cash flows and the related disclosures in the notes to the consolidated financial statements of the Company and of the Group for the year ended 30 September 2006 were fairly stated. Any adjustment found to be necessary to the opening balances as at 1 October 2006 may affect the net assets of the Company and of the Group as at 30 September 2007 and the results and cash flows and the related disclosures in the notes to the consolidated financial statements of the Company and the Group for the year ended 30 September 2007.

### **Qualified opinion arising from limitation of scope for the corresponding figures**

In our opinion, except for the effects of such adjustments on the opening balances, if any, as might have been determined to be necessary had we been able to obtain sufficient information concerning the matters as described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Notes:

## 1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations, which are either effective for annual accounting periods beginning on or after 1 January 2006. A summary of the new HKFRSs adopted by the Group is set out as follows:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS – Int 4	Determining whether an Arrangement Contains a Lease
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives

The adoption of the above new and revised standards, amendments and interpretations did not result in substantial changes to the Group’s accounting policies and did not result in significant impact to the Group’s result and financial position.

## 2. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>2</sup>
HKFRS 7	Financial Instruments – Disclosures <sup>1</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment <sup>3</sup>
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>4</sup>
HK(IFRIC) – Int 12	Service Concession Arrangements <sup>5</sup>
HK(IFRIC) – Int 13	Customer Loyalty Programmes <sup>6</sup>
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction <sup>5</sup>

HKAS 1 (Amendment) will affect the disclosures about qualitative information about the Group’s objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any noncompliance.

HKFRS 7 requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.

The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretations upon initial application. So far, it has concluded that the adoption of HKAS 1 (Amendment) and HKFRS 7 may result in new or amended disclosures, these new standards and amendments should have no significant impact on the results and financial position of the Group.

*Notes:*

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2009
- <sup>3</sup> Effective for annual periods beginning on or after 1 November 2006
- <sup>4</sup> Effective for annual periods beginning on or after 1 March 2007
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2008
- <sup>6</sup> Effective for annual periods beginning on or after 1 July 2008

### **3. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention except for certain properties and financial instruments, which are stated at their fair values.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

### **4. SEGMENT INFORMATION**

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and service they provide. Each of the Group's business segments represents a strategic business unit that offers product and services which are subject to risks and returns that are different from those of the other business segments.

Summary details of the business segments are as follows:

- (a) the telecommunications network infrastructure solutions segment consists of the sale of the broadband data network information platform developed by the Group as well as the integration of third-party software and hardware for telecommunications sectors;

- (b) the network management solutions segment consists of the sale of network management software for telecommunications sectors;
- (c) the other network solutions for sectors other than telecommunications segment consists of the design, implementation and maintenance of network systems for customers in sectors other than telecommunications sectors;
- (d) the transmission segment consists of the manufacturing and sale of communication cables and optical cables, primarily for communications sectors; and
- (e) the corporate and other segment consists of the Group's investment holding, corporate assets and liabilities items.
- (f) the securities investment and trading consists of Group's investment in securities and trading of investment securities.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

**(a) Business segments**

The following tables present revenue, result and certain asset, liability and expenditure information for the Group's business segments.

**The Group**

	Telecommunications network infrastructure solutions		Network management solutions		Other network solutions for sectors other than telecommunications		Transmission		Securities investments and trading		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	-	-	-	-	-	308	106,369	70,705	-	-	106,369	71,013
Segment results	<u>(8,128)</u>	<u>(10,375)</u>	<u>(2,154)</u>	<u>(3,656)</u>	<u>(979)</u>	<u>(2,567)</u>	<u>726</u>	<u>1,026</u>	<u>7,887</u>	<u>-</u>	<u>(2,648)</u>	<u>(15,572)</u>
Unallocated income and gains											10,537	4,795
Unallocated expenses											<u>(779)</u>	<u>-</u>
Profit/(loss) from operating activities											7,110	(10,777)
Finance costs											<u>(2,690)</u>	<u>(2,455)</u>
Profit/(loss) before income tax											4,420	(13,232)
Income tax expense											<u>(1,153)</u>	<u>(1,056)</u>
Profit/(loss) for the year											<u>3,267</u>	<u>(14,288)</u>

The following tables present revenue, result and certain asset, liability and expenditure information for the Group's business segments.



## The Group

	Telecommunications network infrastructure solutions				Other network solutions for sectors other than telecommunications				Securities investments and trading		Corporate and other		Consolidated			
	2007		2006		2007		2006		2007		2006		2007		2006	
	HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Segment assets	<u>11,260</u>	<u>1,272</u>	<u>344</u>	<u>930</u>	<u>27</u>	<u>34</u>	<u>77,907</u>	<u>56,175</u>	<u>38,985</u>	-	-	-	<u>128,523</u>	<u>58,411</u>		
Unallocated assets												<u>99,933</u>	<u>2,037</u>	<u>99,933</u>	<u>2,037</u>	
Total asset														<u>228,456</u>	<u>60,448</u>	
Segment liabilities	<u>10,363</u>	<u>9,954</u>	<u>8,799</u>	<u>15,372</u>	<u>2,047</u>	<u>2,141</u>	<u>12,191</u>	<u>34,734</u>	<u>3,390</u>	-	-	-	<u>36,790</u>	<u>62,201</u>		
Unallocated liabilities												<u>44,773</u>	<u>9,977</u>	<u>44,773</u>	<u>9,977</u>	
Total liabilities														<u>81,563</u>	<u>72,178</u>	
Other segment information:																
Depreciation of property, plant and equipment	<u>194</u>	<u>898</u>	<u>310</u>	<u>685</u>	<u>5</u>	<u>36</u>	<u>1,676</u>	<u>1,508</u>	-	-	-	<u>15</u>	<u>2,185</u>	<u>3,142</u>		
Amortisation of prepaid land lease payments	-	-	-	-	-	-	<u>78</u>	<u>73</u>	-	-	-	-	<u>78</u>	<u>73</u>		
Share-based payment expenses	-	-	-	-	-	-	-	-	-	-	<u>779</u>	-	<u>779</u>	-		
Surplus arising on revaluation of buildings – recognised directly in equity attributable to equity holder	-	-	-	-	-	-	<u>852</u>	<u>311</u>	-	-	-	-	<u>852</u>	<u>311</u>		
Amortisation of deferred development cost	-	-	-	<u>193</u>	-	-	-	-	-	-	-	-	-	-	<u>193</u>	
Reversal of Impairment loss on trade receivables	<u>(134)</u>	-	-	-	-	-	<u>(1,375)</u>	-	-	-	-	-	<u>(1,509)</u>	-		
Impairment loss on trade receivables	<u>314</u>	-	-	-	-	-	<u>2,095</u>	-	-	-	-	-	<u>2,409</u>	-		
Impairment loss on other receivables	-	<u>498</u>	-	<u>159</u>	-	-	-	-	-	-	-	-	-	<u>657</u>		
Impairment loss on amount due from related companies	-	<u>922</u>	-	<u>1,328</u>	-	-	-	-	-	-	-	-	-	<u>2,250</u>		
Property, plant and equipment written-off	-	-	<u>496</u>	-	-	-	-	-	-	-	-	-	<u>496</u>	-		
Allowance for obsolete inventories	-	-	-	-	-	-	<u>431</u>	-	-	-	-	-	<u>431</u>	-		
Loss on disposal of property, plant and equipment	-	<u>4,634</u>	-	-	-	-	-	-	-	-	-	-	-	<u>4,634</u>		
Club membership written-off	-	-	-	-	-	-	-	-	-	-	<u>379</u>	-	<u>379</u>	-		
Loss on disposal of golf club membership	-	-	-	-	-	-	-	-	-	-	-	<u>143</u>	-	<u>143</u>		
Capital expenditure	-	-	<u>2,574</u>	-	-	-	<u>2,296</u>	<u>351</u>	-	-	-	-	<u>4,870</u>	<u>351</u>		

### (b) Geographical segments

Over 90% of the Group's revenue, assets and liabilities are derived from customers based in the PRC and accordingly, no further detailed analysis of the Group's geographical segments is disclosed.

## 5. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts where applicable and services rendered. All significant intra-group transactions have been eliminated on consolidation.

## 6. OTHER REVENUE AND INCOME

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other revenue:</b>		
Bank interest income	905	47
Allowance and others	<u>3,071</u>	<u>3,464</u>
	<u>3,976</u>	<u>3,511</u>
<b>Other income:</b>		
Fair value changes in financial assets at fair value through profit or loss	11,278	–
Reversal of impairment loss on trade receivables	1,509	1,284
Provision for penalty written back	<u>5,052</u>	<u>–</u>
	<u>17,839</u>	<u>1,284</u>
	<u><u>21,815</u></u>	<u><u>4,795</u></u>

## 7. PROFIT/(LOSS) FROM OPERATIONS

The Group's profit/(loss) from operations is arrived at after charging:

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold and services provided	94,293	61,262
Depreciation of property, plant and equipment	2,185	3,142
Amortisation of prepaid land lease payments	78	73
Research and development costs:		
Deferred development costs amortised *	–	193
Minimum lease payments under operating leases in respect of land and buildings	141	363
Auditors' remuneration	350	400
Staff costs (including directors' emoluments):		
Wages and salaries	6,021	5,595
Pension scheme contributions	<u>12</u>	<u>17</u>
	<u>6,033</u>	<u>5,612</u>

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Impairment loss on trade receivables *	<b>2,409</b>	–
Impairment loss on amounts due from related companies *	–	2,250
Impairment loss on other receivables *	–	657
Allowance for obsolete inventories *	<b>431</b>	–
Club membership written off *	<b>379</b>	–
Property, plant and equipment written off*	<b>496</b>	–
Loss on disposal of property, plant and equipment *	–	4,634
Loss on disposal of golf club membership *	–	143
Share-based payment expenses*	<b>779</b>	–
	<b><u>779</u></b>	<b><u>–</u></b>

\* Included in “Other operating expenses” on the face of the consolidated income statement.

## 8. FINANCE COSTS

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans wholly repayable within five years	<b>1,596</b>	1,770
Interest on other loans wholly repayable within five years	<b>1,094</b>	685
	<b><u>2,690</u></b>	<b><u>2,455</u></b>

## 9. INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the year (2006: Nil). Taxes on profit assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during both years.

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – the PRC		
Charge for the year	<b><u>1,153</u></b>	<b><u>1,056</u></b>

## 10. DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 30 September 2007 (2006: Nil).

## 11. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to equity holders of the Company of HK\$2,594,000 (2006: a loss of HK\$16,204,000) and the weighted average of 1,922,211,977 (2006: 1,594,393,347) ordinary shares in issue during the year.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	<b>The Group</b>	
	<b>2007</b>	<b>2006</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit/(loss) attributable to equity holders of the Company	<u><b>2,594</b></u>	<u>(16,204)</u>
	<b>2007</b>	<b>2006</b>
Weighted average number of ordinary shares in issue	<b>1,922,211,977</b>	1,594,393,347
Adjustment for assumed exercise of share options	<u><b>3,335,246</b></u>	<u>–</u>
	<u><b>1,925,547,223</b></u>	<u>1,594,393,347</u>

The computation of diluted loss per share for the year ended 30 September 2006 did not assume the exercise of the Company's share options because the effect of exercising an option to subscribe for an additional share in the Company would result in a decrease of loss per share.

## 12. TRADE RECEIVABLES

An aged analysis of the Group's net trade receivables as at the balance sheet date is as follow:

	<b>The Group</b>	
	<b>2007</b>	<b>2006</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
0 – 90 days	<b>26,265</b>	19,061
91 – 180 days	<b>10,117</b>	6,997
181 – 365 days	<b>528</b>	5,741
Over 365 days	<u>–</u>	<u>304</u>
	<u><b>36,910</b></u>	<u>32,103</u>

The Group has a policy of allowing trade customers with credit terms pursuant to the provisions of the relevant contracts. The carrying amounts of the trade receivables are denominated in RMB. The directors of the Company consider that the carrying amounts of trade receivables approximate to their fair values.

### 13. TRADE AND BILLS PAYABLES

The credit terms of trade payables varies according to the terms agreed with different suppliers. An aged analysis of the trade and bills payables as at the balance sheet date, is as follows:

	<b>The Group</b>	
	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 90 days	2,732	920
91 – 180 days	2,892	3,062
181 – 365 days	641	645
Over 365 days	6,774	13,302
	<u>13,039</u>	<u>17,929</u>

The directors of the Company consider that the carrying amounts of trade and bills payables approximate to their fair values.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Turnover

For the financial year under review, the Group recorded a 50% growth in turnover to approximately HK\$106.4 million as compared to approximately HK\$71.0 million recorded in 2006, mainly driven by the success of the transmission solutions of Wujiang Shengxin Optoelectronics Technology Co, Ltd. (“Shengxin”).

Group’s net profit attributable to equity shareholders was approximately HK\$2.6 million in 2007, compared to a loss of approximately HK\$16.2 million in 2006. The performance improvement was a result of the Group’s perseverance and persistence in improving productivity while at the same time managing cost effectively.

#### Gross Profit Margin

Despite the increase in turnover, the gross profit margin declined marginally to 11.4% (2006: 13.7%) due essentially to higher operating cost and lower margin contribution from the transmission segment. The gross profit margin percentage may fluctuate and period to period changes in such margin percentages may not indicative of a trend for the business.

#### Other revenue and income

Other revenue and income for the fiscal year 2007 amounted to approximately HK\$21.8 million (2006: HK\$4.8 million), which consisted primarily of financial assets at fair value approximately HK\$11.3 million.

## **Selling and Distribution Costs and Administrative Expenses**

Total selling and administrative expenses for the year ended 30 September 2007 were approximately HK\$4.4 million (2006: HK\$3.8 million), an increase of 16.2% from last fiscal year. As a percentage of revenue, selling and distribution costs were 4.2% and 5% in 2007 and 2006, respectively.

The Group's administrative expenses increased by 5% to approximately HK\$14.3 million in 2007 (2006: HK\$13.6 million) because of increase in headcount-related expenses. Our headcount expected to increase, as we continue to focus on expanding new market segment, additional sales coverage; growing and expanding our advanced technologies; and strengthening our product offerings in the market. However, it is the Group policy of adherence to prudent cost controls and keeping cost at reasonable level but without jeopardizing the efficiency and productivity level.

## **Segmental Information**

As a result of organisational changes, beginning in fiscal 2007, our reportable segment was focused on transmission segment. Sales from the transmission segment accounted for 100% of the turnover of the Group for the year ended 30 September 2007.

## **Order Book**

As at the date of this report, the group has secured approximately HK\$12.0 million worth of contracts on hand.

## **Financial Resources and Liquidity**

Net current assets of the Group as at 30 September 2007 were approximately HK\$124.8 million (2006: net current liabilities approximately HK\$28.3 million). As at 30 September 2007, the Group had short term cash and bank deposits (including pledged deposits of HK\$790,000) of approximately HK\$92.2 million (2006: approximately HK\$3.5 million). The increase in the cash and cash equivalent was primarily a result of issuance of common stock HK\$149.5 million partially offset by cash used for repayment of loan and investments acquired.

We expect that cash provided by operating activities may fluctuate in future period as a result of a number of factors, including fluctuations in our operating results, accounts receivable collections, inventory management and other payments.

As at 30 September 2007, the Group's total bank and other borrowings amounted to approximately HK\$31.8 million at fixed interest rates ranging from 5.61% p.a. to 12% p.a. (2006: approximately HK\$27.5 million at fixed interest rates ranging 7.25% p.a. to 12% p.a.).

## **Gearing ratio**

The gearing ratio of the Group, based on total liabilities to total assets of the company, was significantly improved to 35.7% as at 30 September 2007 (2006: 119.4%).

## **Share option schemes**

The Group has adopted two share option schemes, whereby directors and employees of the Group may be granted an option to subscribe for the shares of the company. Additional information regarding share option schemes are set out in the section under “Share Option Scheme” of this Announcement.

## **Contingent Liabilities**

As at the date of this announcement, the Directors have had no knowledge of any material contingent liabilities.

## **Capital Structure**

During the year under review, movement of share capital of the Company was as follows:

On 14 May 2007, the Company entered into a placing agreement to place an aggregate of 325,600,000 placing shares at the price of HK\$0.095 per placing share.

On 5 June 2007, the Company and Placing Agent entered into a Placing Agreement to place a total 1,000,000,000 new shares at the Placing Price of HK\$0.12 per Placing Share.

During the year ended 30 September 2007, 3,600,000 share options were exercised at HK\$0.078 per share (at par value).

As at 30 September 2007, 2,957,360,470 shares of the company were issued and fully paid.

## **Capital commitment and substantial investments**

As at 30 September 2007, II Networks International Limited, a wholly-owned subsidiary of the Company, entered into an agreement with China Standard Limited to acquire entire interest in Shenzhen Lidesui Huanbao Jishu Company Limited and Shenzhen Lisai Gardens Luhua Company Limited for a consideration of HK\$440 million.

## **Future plans for substantial investments or capital assets**

II Networks International Limited, a wholly owned subsidiary of the Company, entered into a memorandum of understanding with an independent third party in relation to the possible acquisition of 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.

## **Major acquisition or disposals**

During the year ended 30 September 2007, II Networks International Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party (“the Purchaser”) in relation to acquire entire interests in Shenzhen Lidesui Huanbao Jishu Company Limited and Shenzhen Lisai Gardens Luhua Company Limited at an aggregate consideration of HK\$440 million.

Details of the acquisition are set out in the Company’s circular dated 3 October 2007 and this transaction was completed on 7 November 2007.

## **BUSINESS REVIEW AND OUTLOOK**

### **Transmission solutions**

For the year under review, the turnover of the Group was entirely generated from the transmission segment as a result of the development strategy in line with the changes in the market condition. The transmission segment carries out the sale of transmission products such as cables and fiber optic cables through Shengxin, a subsidiary in which the Group owns a 51% equity interest. As a result of the growth in the investments by Chinese domestic telecommunications operators, supply contracts of a substantial value were successfully secured in the Shanghai, Shandong and Hunan markets, pushing the turnover for the financial year under review to rise substantially to approximately HK\$106.4 million from approximately HK\$71.0 million of the previous year, representing an increase of approximately 50%. However, the profit margin was still under pressure as the prices of copper, the main raw material for the transmission business, remained high.

Considering that the existing business is not sufficient to support the Group’s development, the Group has been aggressively pursuing the direction towards diversification. During the year under review, the Group entered into an agreement with China Standard on the acquisition of the entire equity interests in Shenzhen Lisai, and subsequently completed the acquisition in November 2007. Considering that relevant demand in the sectors is expected to grow geometrically in the next several years as a result of China’s attention; tremendous support on environmental protection program and new energy utilization, the Group remains confident in the future of the company.



By capitalizing on the aggressive efforts of the Group's management, and investor's attention and confidence in the Chinese sectors for environmental protection and new energy utilization, the Group completed two share placements during the financial year under review. The proceeds from the placements will facilitate the improvement of the Group's financial status as well as new business development, further enhance the confidence of the Group in its future development.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION**

As at 30 September 2007, the interests or short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which they are taken or deemed to have taken under such provisions of the SFO), or which will be required to be entered into the register kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

### **Long positions in ordinary shares of the Company:**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of issued share of US\$0.01 each in the Company held and the capacity</b>	
		<b>Total</b>	<b>Percentage of the Company's issued share capital</b>
Mr. Wu Shu Min	Beneficial owner	141,023,000	4.77%
Mr. Xu Zhi Feng	Beneficial owner	4,376,000	0.15%

The interests of the directors and the chief executive of the Company in the share options of the Company are separately disclosed under the section of "Share Option Schemes" of this Announcement.

Save as disclosed above, as at 30 September 2007, none of the directors and chief executive of the Company or their associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short position which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered into the register kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the sub-heading of “Share Option Schemes” below, at no time during the year there were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## **SHARE OPTION SCHEMES**

The principal purpose of the share option schemes of the Company is to recognise the significant contributions of the directors and employees of the Group to the growth of the Group, by rewarding them with opportunities to obtain an ownership interest in the Company and to further motivate and give incentive to these persons to continue to contribute to the Group's long term success and prosperity. The Company has a share option plan adopted on 7 January 2000 and a share option plan adopted on 22 November 2001.

### **(a) Pre-IPO Share Option Plan**

On 7 January 2000, the Company adopted an employee share option plan (the “Pre-IPO Share Option Plan”). The Pre-IPO Share Option Plan was valid and effective for a period not exceeding eight years commencing from 7 January 2000.

Under the Pre-IPO Share Option Plan, the grantees may include (a) any full-time employee and director (including non-executive director and independent non-executive director) of the Company or any of its subsidiaries; (b) any part-time employee with weekly working hours of 15 hours and above of the Company or any of its subsidiaries; (c) any advisor or consultant (in the areas of technical, financial or corporate managerial) to the Company or any of its subsidiaries; and (d) any other person who, at the sole determination of the board of directors, has contributed to the Group based on certain assessment criteria.

The offer of a grant of share options may be accepted within 21 days from the date of the offer with no consideration being payable by the grantee.

The share subscription price in respect of any particular option granted under the Pre-IPO Share Option Plan was determined by the board of directors from time to time. The maximum number of shares in respect of the options granted under the Pre-IPO Share Option Plan in an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time, excluding for this purpose shares issued upon the exercise of options granted under the Pre-IPO Share Option Plan. At 30 September 2007, the number of shares issuable under share options granted under the Pre-IPO Share Option Plan was 15,000,000 which represented approximately 0.5% of the Company's shares in issue as at that date.

Upon listing of the Company's shares on the GEM of the Stock Exchange on 30 November 2001, no further share options will be granted under the Pre-IPO Share Option Plan.

The following share options were outstanding under the Pre-IPO Share Option Plan during the year:

Number of share options outstanding under the Pre-IPO Share Option Plan								
Director	As at 1 October 2006	Exercised during the year	Cancelled during the year	Lapsed during the year	As at 30 September 2007	Date of grant of share options	Exercise period of share options	Adjusted exercise price per share* HK\$
Mr. Wu Shu Min	5,000,000	-	-	-	5,000,000	7 January 2000	7 January 2000 to 6 January 2008	0.150
	10,000,000	-	-	-	10,000,000	26 February 2000	26 February 2000 to 25 February 2008	0.150
	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000,000</u>			

\* The exercise price per share was adjusted for the consolidation and capitalisation issue of the Company's shares on 22 November 2001, as well as conversion from US\$ to HK\$.

## (b) Share Option Plan

On 22 November 2001, the Company adopted a share option scheme (the "Share Option Plan") conditionally upon the listing of the Company's shares on the GEM of the Stock Exchange on 30 November 2001. The Share Option Plan became valid and effective on 30 November 2001 and, unless otherwise cancelled or amended, will remain in force for a period of ten years commencing from the date of adoption.

Under the Share Option Plan, the grantees may include (i) any full-time employee, director (including non-executive director and independent non-executive director) and part-time employee with weekly working hours of 15 hours and above of the Company and any of its subsidiaries; (ii) any advisor or consultant (in the areas of technical, financial or corporate managerial) to the Company or any of its subsidiaries; and (iii) any other person who, at the sole determination of the board of directors, has contributed to the Group based on certain assessment criteria.

No option may be granted to any one person which if exercised in full would result in the total number of shares of the Company already issued and issuable to him under all the options previously granted to him and the said option exceeding one percent of the number of the shares of the Company in issue in any 12-month period up to the date of grant. Any further grant of options in excess of the one percent limit must be subject to shareholders' approval, with that participant and his associates abstaining from voting.

The maximum number of shares in respect of which options may be granted under the Share Option Plan and any other share option scheme of the Company is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time, excluding for this purpose shares issued upon the exercise of options granted under the Share Option Plan or any other share option scheme. At 30 September 2007, the number of shares issuable under share options granted under the Share Option Plan was 27,300,000, which represented approximately 0.9% of the Company's shares in issue as at that date. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Plan and any other schemes must not exceed 30% of the shares of the Company from time to time.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the board of directors, and commences on any date after the date of grant and ends on a date which is not later than ten years from the date of offer of the share options or the expiry date of the Share Option Plan, if earlier.

The exercise price of share options is determined by the board of directors, but may not be less than the higher of (i) the closing price of the Company's shares on the GEM of the Stock Exchange on the date of grant of the option; (ii) the average of the closing prices of the Company's shares on the GEM of the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company.

The following share options were outstanding under the Share Option Plan during the year:

Directors	Number of share options outstanding under Share Option Plan					Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$	Company's share price at the date immediately before the grant date of options HK\$
	As at 1 October 2006	Granted during the year	Exercised during the year	Lapsed during the year	As at 30 September 2007				
Mr. Wu Shu Min	10,000,000	-	-	-	10,000,000	7 March 2002	7 March 2002 to 21 December 2011	0.465	0.455
	3,000,000	-	-	-	3,000,000	5 June 2003	5 June 2003 to 21 December 2011	0.078	0.045
Mr. Xu Zhi Feng#	1,000,000	-	-	-	1,000,000	5 June 2003	5 June 2003 to 21 December 2011	0.078	0.045
	<u>14,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000,000</u>				
Other employees In aggregate	800,000	-	-	-	800,000	1 March 2002	1 March 2002 to 21 December 2011	0.475	0.470
	3,600,000	-	(3,600,000)	-	-	5 June 2003	5 June 2003 to 21 December 2011	0.078	0.045
	-	12,500,000	-	-	12,500,000	29 May 2007	29 May 2007 to 21 December 2011	0.214	0.214
	<u>4,400,000</u>	<u>12,500,000</u>	<u>(3,600,000)</u>	<u>-</u>	<u>13,300,000</u>				
	<u>18,400,000</u>	<u>12,500,000</u>	<u>(3,600,000)</u>	<u>-</u>	<u>27,300,000</u>				

# During the year ended 30 September 2006, Mr. Xu Zhi Feng was appointed as a director of the Company.

As at the balance sheet date, the Company had 15,000,000 share options outstanding under the Pre-IPO Share Option Plan.

As at the balance sheet date, the Company had 27,300,000 share options outstanding under the Share Option Plan.

The exercise in full of the outstanding share options under the Pre-IPO Share Option Plan and the Share Option Plan would, under the present capital structure of the Company, result in the issue of 42,300,000 additional ordinary shares and cash proceeds to the Company of approximately HK\$10,267,000, before related issuing expense.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER SFO

So far as is notified to the directors of the Company, as at 30 September 2007, shareholders (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered into the register referred to therein, were as follows:

### Long positions

Name	Capacity	Interest in shares	Percentage of interests	Interests under equity derivatives	Aggregate interests
Lei Dong Ling ( <i>Note 1</i> )	Interests of spouse	141,023,000	4.77%	28,000,000	169,023,000
Environment Protection International Limited ( <i>Note 2</i> )	Beneficial owner	185,000,000	6.26%	–	185,000,000
Netvantage International Limited ( <i>Note 2</i> )	Beneficial owner	185,000,000	6.26%	–	185,000,000
Tsutsumi Naoyuki ( <i>Note 2</i> )	Beneficial owner	185,000,000	6.26%	–	185,000,000

#### *Note:*

1. Ms. Lei Dong Ling is the spouse of Mr. Wu Shu Min. Under Section 316 of the SFO, Ms. Lei Dong Ling is deemed to be interested in all 141,023,000 shares and 28,000,000 share options in which Mr. Wu Shu Min is interested.
2. Environment Protection International Limited is wholly owned by Netvantage International Limited (“Netvantage”) which in turn is wholly owned by Tsutsumi Naoyuki. Therefore, Netvantage and Tsutsumi Naoyuki are deemed to be interested in 185,000,000 shares of the Company under the SFO.

Save as disclosed above, as at 30 September 2007, the directors of the Company were not aware of any other person (other than directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered into the register referred to therein.

## **CORPORATE GOVERNANCE**

The Company is committed to achieving high standards of corporate governance to protect the interests of the shareholders of the Company. The Company had complied with most of the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 15 of the GEM Listing Rules throughout the year ended 30 September 2007, except that:–

Under the Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Certain period during the year ended 30 September 2007, the responsibilities of chairman and the chief executive officer of the Company are performed by Mr. Wu Shu Min until after the appointment of Mr. Fu Hui Zhong as executive Director and chief executive officer of the Company, the roles of chairman and chief executive officer is separate.

Under the Code Provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. At present, the independent non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation and re-election in accordance with the Company’s Articles of Association.

The Company does not establish a nomination committee at present. The appointment of new director(s) is therefore a matter for consideration and decision by the Board. In considering the nomination of a new director or where vacancies on the Board exist, the Board will take into account the skills, qualification, working experience, professional knowledge, leadership and personal integrity of the candidates.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests, with the Group.

## **AUDIT COMMITTEE**

The Company has an audit committee (the “Audit Committee”) established with written terms of reference in compliance with GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls of the Group and to provide advice to the directors of the Company. The Audit Committee presently comprises Mr. Liu Yang, Mr. Li

Junlin and Mr. Jin Dunshen, independent non-executive directors of the Company. The Audit Committee has reviewed the Group's audited annual results for the year ended 30 September 2007 and has provided advice and comments thereon. The Audit Committee held four meetings during the year.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has not adopted its own code of conduct regarding securities transactions by directors, but having made specific enquiry of all directors, the Company reported that during the year, the directors have complied with the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules and its code of conduct regarding securities transactions by directors.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

*As of the date of this announcement, the Board of Directors of the Company comprises Mr. Wu Shu Min, Mr. Fu Hui Zhong and Mr. Xu Zhi Feng as 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, 29 December 2007