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## **MOBILE TELECOM NETWORK (HOLDINGS) LIMITED** **流動電訊網絡（控股）有限公司\***

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

**(Stock code: 8266)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED ACQUISITION**

The Board is pleased to announce that on 5 January 2011, Gold Continental, a wholly owned subsidiary of the Company, as purchaser, entered into a non-legally binding memorandum of understanding with Mr. Poon as vendor in relation to the proposed acquisition of the Sale Shares at a consideration of not exceeding RMB30 million.

Best Team is principally engaged in investment holding. Upon completion of the Reorganisation, the subsidiary of Best Team shall hold equity interests in the two PRC property development project companies.

This announcement in respect of the Proposed Acquisition is made in accordance with Rule 17.10 of the GEM Listing Rules.

**The Board wishes to emphasise that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not be entered into, investors and Shareholders are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.**

#### **THE MOU**

Date: 5 January 2011

Parties: Vendor: Mr. Poon

Purchaser: Gold Continental

Mr. Poon is a director and substantial shareholder of PetroAsian Energy Holdings Limited, which holds the entire issued share capital of China Oil Resources Group Limited, a controlling Shareholder and is a connected person of the Company.

\* For identification purpose only

## **Major terms of the MOU**

Under the MOU, it is proposed that Gold Continental shall acquire the Sale Shares. The Sale Shares represent 45% of the entire issued share capital of Best Team.

Mr. Poon and Gold Continental will proceed to negotiate for a legally binding Sale and Purchase Agreement on or before the date falling 30 days from the date of the MOU (or such later date as the Gold Continental may agree).

It is also agreed that Mr. Poon will not, prior to the date falling 30 days from the date of the MOU, enter into any negotiations with any third party for the disposal, or part disposal, of the Sale Shares or any other shares of Best Team.

The consideration for the Proposed Acquisition shall not exceed RMB30 million and shall be satisfied by Gold Continental: (i) in cash; (ii) by procuring the Company to issue Shares, credited as fully paid; (iii) by procuring the Company to issue convertible bonds; (iv) by procuring the Company to issue promissory note; or (v) a combination of any of the above.

The MOU does not constitute any legally-binding commitment in respect of the Proposed Acquisition. The Proposed Acquisition will be subject to the execution and completion of the Sale and Purchase Agreement.

The Proposed Acquisition, if entered into based on the terms as disclosed in this announcement, will constitute a notifiable transaction and connected transaction on the part of the Company pursuant to the GEM Listing Rules.

Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

## **INFORMATION ON BEST TEAM**

Best Team is principally engaged in investment holding. Upon completion of the Reorganisation, the subsidiary of Best Team shall hold equity interests in the two PRC property development project companies.

## **REASONS FOR THE PROPOSED ACQUISITION**

The Group is engaged in development, provision and sales of mobile internet communication, telecommunications and related services.

The Directors have been identifying further investment opportunities in order to diversify its existing business and maximise the return of the Shareholders. The Directors consider that the Proposed Acquisition represents a good opportunity for the Group to tap into the growing PRC property development industry and also allow it to diversify its existing businesses.

This announcement in relation to the Proposed Acquisition is made in accordance with Rule 17.10 of the GEM Listing Rules.

**The Board wishes to emphasise that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not be entered into, investors and Shareholders are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Best Team”	Best Team International Investment Limited, a company incorporated in Hong Kong with limited liability
“Best Team Group”	Best Team and its subsidiaries
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Gold Continental”	Gold Continental Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company and the purchaser of the Sale Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“MOU”	the non-legally binding memorandum of understanding dated 5 January 2011 entered into between Mr. Poon and Gold Continental and setting out the basic understanding in relation to the Proposed Acquisition
“Mr. Poon”	Poon Sum, a director and substantial shareholder of PetroAsian Energy Holdings Limited, which holds the entire issued share capital of China Oil Resources Group Limited, controlling Shareholder, and is a connected person of the Company

“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by Gold Continental as contemplated under the MOU
“Reorganisation”	the reorganisation of the Best Team Group to be conducted prior to Completion, upon completion of which, Best Team will directly hold the entire registered and paid up capital of 深圳市鑫泰溢投資發展有限公司 (Shenzhen City Xintaiyi Investment Development Company Limited <sup>#</sup> ), which will, in turn, hold 25% of the registered and paid up capital of 陽東富力房地產發展有限公司 (Yangdong Fuli Real Estate Development Company Limited <sup>#</sup> ) and 66.6% of the registered and paid up capital of 陽江市永聯房地產開發有限公司 (Yangjiang Yonglian Real Estate Development Company Limited <sup>#</sup> )
“Sale and Purchase Agreement”	the sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition
“Sale Shares”	900 shares of HK\$1.00 each in the issued share capital of Best Team, which is legally and beneficially owned by Mr. Poon
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

<sup>#</sup> *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By order of the Board  
**Mobile Telecom Network (Holdings) Limited**  
**Chan Chung**  
*Chairman*

Hong Kong, 5 January 2011

*As at the date of this announcement, the Board comprises four executive Directors, namely, Dr. Chan Chung (Chairman), Mr. Chan Wai Kwong, Peter, Mr. Siu King Nin, Peter and Mr. Choi Ho Yan; and three independent non-executive Directors, namely, Mr. Chiu Wai Piu, Mr. Cheung Kwan Hung, Anthony and Mr. Heung Chee Hang, Eric.*

*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 enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*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 day of its publication and on the Company’s website at [www.mtelnet.com](http://www.mtelnet.com).*