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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 28 February 2011, Golden Kingtex, a wholly owned subsidiary of the Company, as purchaser, entered into a non-legally binding memorandum of understanding with Mr. Lin as vendor in relation to the proposed acquisition of the Sale Capital.

Yangguang Xunlong is principally engaged in the provision of high quality financial news produced by Broadcasting Corporation of China via mobile networks directly to mobile phone handhelds.

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: 28 February 2011

Parties: Vendor: Mr. Lin

Purchaser: Golden Kingtex

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Lin is an Independent Third Party.

\* For identification purpose only

## **Major terms of the MOU**

Under the MOU, it is proposed that Golden Kingtex shall acquire the Sale Capital. The Sale Capital represents 70% of the entire registered and paid up capital of Yangguang Xunlong.

Golden Kingtex and Mr. Lin will proceed to negotiate for a legally binding Sale and Purchase Agreement on or before the date falling 6 calendar months from the date of the MOU (or such later date as Golden Kingtex and Mr. Lin may agree).

It is also agreed that Mr. Lin will not, prior to the date falling 6 calendar months from the date of the MOU, enter into any negotiations with any third party for the disposal, or part disposal, of the Sale Capital or any other capital of Yangguang Xunlong.

The consideration for the Proposed Acquisition shall be subject to further negotiation between Golden Kingtex and Mr. Lin and shall be satisfied by Golden Kingtex: (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 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 YANGGUANG XUNLONG**

Yangguang Xunlong is principally engaged in the provision of high quality financial news produced by Broadcasting Corporation of China via mobile networks directly to mobile phone handhelds. The target customers of the services are white collar and high-end mobile handheld users in 31 provinces and cities. The services provide high value adding comprehensive finance and economic news with localised content to the customers.

## **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 investment opportunities for the expansion and enhancement of the Group's existing mobile internet communication telecommunications and related services. The Directors consider that there will be synergic effect brought from the Proposed Acquisition to the existing business of the Group and the Proposed Acquisition will reinforce the marketing position of the Group in the mobile phone content provider business sector.

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 Capital 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
“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
“Golden Kingtex”	Golden Kingtex 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 Capital
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons
“MOU”	the non-legally binding memorandum of understanding dated 28 February 2011 entered into between Golden Kingtex and Mr. Lin and setting out the basic understanding in relation to the Proposed Acquisition
“Mr. Lin”	Lin Xinxian, the vendor of the Sale Capital
“PRC”	the People’s Republic of China

“Proposed Acquisition”	the proposed acquisition of the Sale Capital by Golden Kingtex as contemplated under the MOU
“Sale and Purchase Agreement”	the sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition
“Sale Capital”	70% of the entire registered and paid up capital of Yangguang Xunlong, which is legally and beneficially owned by Mr. Lin
“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
“Yangguang Xunlong”	央廣迅龍(北京)通訊科技有限公司(Yangguang Xunlong (Beijing) Communication Technology Company Limited <sup>#</sup> ), a company established in the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

# *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**  
**Choi Ho Yan**  
*Executive Director*

Hong Kong, 28 February 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).*