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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board would like to inform the Shareholders and potential investors that the Group is expected to record a greater loss for the year ended 31 March 2012 as compared with that for the year ended 31 March 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Mobile Telecom Network (Holdings) Limited (the “**Company**”) and together with its subsidiaries (collectively, the “**Group**”) 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 Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that due to (1) the recognition of the one-off professional fees arising from the acquisition of subsidiaries and associates; (2) the charging of fair value of the share-based payments to the directors and employees of the Group arising from newly granted share options under the share option scheme of the Company; (3) the charging of imputed interests on the issued convertible bonds; (4) the impairment loss in respect of goodwill related to an associate and (5) the higher employment and running costs, it is expected that a greater loss will be recorded by the Group for the year ended 31 March 2012 as compared with that for the year ended 31 March 2011.

This profit warning announcement is only based on the preliminary assessment by the Board in accordance with the unaudited management accounts of the Group. The audited annual results of the Group for the year ended 31 March 2012 have not been finalised. Details of the Group’s performance will be disclosed in the Group’s final results announcement for the year ended 31 March 2012 in due course.

Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 June 2012

As at the date of this announcement, the Board comprises five executive Directors, namely, Dr. Chan Chung (Chairman), Mr. Chan Wai Kwong, Peter, Mr. Siu King Nin, Peter, Mr. Choi Ho Yan and Mr. So Haw, Herman; 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 of the Company 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 on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the Company's website at www.mtelnet.com.

** For identification purpose only*