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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)**

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**Yuanta  
Securities (Hong Kong)**

**Yuanta Securities (Hong Kong) Company Limited**

On 5 June 2013 (after trading hours), the Company entered into the conditional Placing and Subscription Agreement with the Placing Agent and the Subscriber for the Placing of up to an aggregate of 274,000,000 existing Placing Shares to the Placees at the Placing Price of HK\$0.085 per Placing Share and the Subscription of up to 274,000,000 new Subscription Shares by the Subscriber at the Subscription Price of HK\$0.085 per Subscription Share.

The Placing Shares represent, in aggregate, (i) approximately 19.98% of the existing issued share capital of the Company; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the Subscription.

The maximum gross proceeds and net proceeds (after deducting the commission of the Placing Agent and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$23,290,000 and approximately HK\$22,750,000, respectively. The Company intends to apply the net proceeds from the Subscription (i) as to HK\$20,000,000 for the proposed acquisition of 70% equity interests in Best Worldwide Corporation Limited as disclosed in the announcement of the Company dated 30 May 2013, and (ii) as to HK\$2,750,000 as the general working capital of the Group.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

\* For identification purpose only

# THE PLACING AND SUBSCRIPTION AGREEMENT

Date	:	5 June 2013 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Yuanta Securities (Hong Kong) Company Limited, an Independent Third Party
Subscriber	:	China Oil Resources Group Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder (as defined under the GEM Listing Rules) of the Company

The Placing Agent has been appointed to place the Placing Shares on a best efforts basis and will receive a placing commission of 1.5% on the gross proceeds of the Placing. The placing commission was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 274,000,000 Placing Shares to the Placees at a price of HK\$0.085 per Placing Share and the Subscriber will subscribe the Subscription Shares at a price of HK\$0.085 per Subscription Share. Details of the Placing and the Subscription are set out below.

## 1. Placing

### *Placees*

The Placing Shares will be placed on a best efforts basis to not less than six Placees which with their ultimate beneficial owners(s) will be Independent Third Parties.

It is expected that none of the Placees will become substantial Shareholder immediately after the Placing.

### *Placing Shares*

The 274,000,000 Placing Shares represent, in aggregate, (i) approximately 19.98% of the existing issued share capital of the Company; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The Placing Shares rank pari passu among themselves and with the other Shares in issue as at the date of this announcement.

## ***Placing Price***

The Placing Price of HK\$0.085 per Placing Share:

- (i) represents a discount of approximately 13.27% to the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on 4 June 2013, being the last trading day immediately before the entering into of the Placing and Subscription Agreement;
- (ii) represents a discount of approximately 11.46% to the average closing price of approximately HK\$0.096 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement; and
- (iii) is equal to the Subscription Price.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of the relevant expenses, is approximately HK\$0.083 per Placing Share.

## ***Placing commission***

The Company shall pay to the Placing Agent the placing commission of 1.5% on the gross proceeds of the Placing.

## ***Completion of the Placing***

The Placing is unconditional and completion of the Placing will take place on 7 June 2013 (or such other date as may be agreed by the Subscriber and the Placing Agent).

## **2. Subscription**

### ***Subscription Shares***

Up to 274,000,000 Subscription Shares, which is equivalent to the number of Placing Shares to be placed under the Placing, will be subscribed by the Subscriber under the Placing and Subscription Agreement and represent, in aggregate, (i) approximately 19.98% of the existing issued share capital of the Company; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription Shares will rank pari passu among themselves and with the other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

### ***General mandate to issue the Subscription Shares***

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 274,277,674 Shares. As at the date of this announcement, (i) no portion of the General Mandate was utilised; (ii) the Company has not allotted and issued any Shares under the General Mandate; and (iii) the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' approval.

### ***Subscription Price***

The Subscription Price of HK\$0.085 per Subscription Share:

- (i) represents a discount of approximately 13.27% to the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on 4 June 2013, being the last trading day immediately before the entering into of the Placing and Subscription Agreement; and
- (ii) represents a discount of approximately 11.46% to the average closing price of approximately HK\$0.096 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement; and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.083 per Subscription Share.

### ***Conditions precedent***

The Subscription is conditional upon the followings:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the completion of the Placing pursuant to the Placing and Subscription Agreement.

In the event that the conditions of the Subscription are not fulfilled on or before 17 June 2013 (or such other date as may be agreed between the parties to the Placing and Subscription Agreement), the obligations and liabilities of the Subscriber and the Company under the Subscription shall be null and void and the Subscriber and the Company shall be released from all rights and obligations pursuant to the Subscription without prejudice to any antecedent breach of any of the obligations and liabilities thereunder.

### ***Completion of the Subscription***

Completion of the Subscription will take place on the next Business Day after the conditions of the Subscription have been fulfilled. The Subscription shall be completed on or before 18 June 2013, which is within 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the GEM Listing Rules and require compliance with all the relevant requirements under Chapter 20 of the GEM Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders.

### ***Rescission***

If at any time on or prior to the Placing Completion Date:

- (1) if there has come to the notice of the Placing Agent:–
  - (i) that any statement contained in this announcement was when this announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
  - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute an omission therefrom; or
  - (iii) any material breach of the undertakings, warranties and representations set out in the Placing and Subscription Agreement; or
  - (iv) any material breach of any of the obligations imposed upon any party to the Placing and Subscription Agreement (other than the Placing Agent); or
  - (v) any of the undertakings, warranties and representations set out in the Placing and Subscription Agreement would not be true in any material respect if given at that time; or
  - (vi) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or

- (2) if there develops, occurs, or comes into effect:–
- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Placing Agent would prejudice the success of the Placing; or
  - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would prejudice the success of the Placing; or
  - (iii) any change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Placing Agent would prejudice the success of the Placing; or
  - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, or the PRC or any other jurisdiction relevant to the Company and/or its subsidiaries and if in the reasonable opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
  - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC or elsewhere which would, in the reasonable opinion of the Placing Agent, prejudice the success of the Placing; or
  - (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the reasonable opinion of the Placing Agent would prejudice the success of the Placing.

Then and in any such case, with respect to the Placing, if any of the above events occur at any time on or prior to the Placing Completion Date, the Placing Agent may, by giving a written notice to the Subscriber and the Company signed by the Placing Agent, at any time prior to the Placing Completion Date, rescind the Placing and Subscription Agreement without liabilities to the other parties thereto and the Placing and Subscription Agreement shall thereupon cease to have effect and none of the parties thereto shall have any rights or claims by reason thereof.

### ***Application for listing***

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Group is principally engaged in development, provision and sale of mobile internet communication telecommunications and related services and trading of electronic parts and components in relation to display modules and touch panel modules. The Directors have considered various ways of raising funds to develop its businesses and consider that the Placing and the Subscription represent a suitable opportunity to raise capital for the Company and enlarge the equity and Shareholder base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Placing and the Subscription (including but not limited to the Placing Price, the Subscription Price and the placing agent commission of 1.5% are fair and reasonable based on the current market conditions, and the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$23,290,000 and approximately HK\$22,750,000, respectively. The Company intends to use the net proceeds from the Subscription towards (i) as to HK\$20,000,000 for the proposed acquisition of 70% equity interests in Best Worldwide Corporation Limited as disclosed in the announcement of the Company dated 30 May 2013, and (ii) as to HK\$2,750,000 as the general working capital of the Group.

The net proceeds being raised per Share upon completion of the Placing and the Subscription will be approximately HK\$0.083 per Share.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has conducted the following fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
26 November 2012	Placing of existing Shares and subscription of new Shares under the general mandate	Approximately HK\$18,800,000	(i) HK\$12,000,000 for the repayment of loan facilities; and (ii) HK\$6,800,000 as the general working capital of the Group	Used as intended
15 January 2013	Placing of up to 120,000,000 warrants conferring rights to subscribe for 120,000,000 warrant shares at the warrant exercise price of HK\$0.168 per warrant share (subject to adjustment)	Approximately HK\$1,000,000 from the placing of warrants and approximately HK\$20,140,000 (base on a net subscription price of HK\$0.168 per warrant share) upon full exercise of the subscription rights attaching to the warrants	As general working capital of the Group	As to HK\$1,000,000 used as intended and the remaining balance yet to be received upon full exercise of the subscription rights attaching to the warrants
18 February 2013	Placing of bonds in up to 20 tranches with an aggregate principal amount of up to HK\$100,000,000	Approximately HK\$96,350,000	As general working capital of the Group	As to HK\$9,650,000 used as intended and the remaining balance yet to be received upon further tranches of placing

## CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Placing and the Subscription are as follows:

Shareholders	Existing shareholding (as at the date of this announcement)		Shareholding immediately after the Placing but before the Subscription		Shareholding immediately after the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Subscriber	355,571,722	25.93	81,571,722	5.95	355,571,722	21.61
<i>Public shareholders</i>						
The Places	–	–	274,000,000	19.98	274,000,000	16.65
Other public shareholders	1,015,816,651	74.07	1,015,816,651	74.07	1,015,816,651	61.74
Total	<u>1,371,388,373</u>	<u>100.00</u>	<u>1,371,388,373</u>	<u>100.00</u>	<u>1,645,388,373</u>	<u>100.00</u>



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being Saturdays, Sunday or public holidays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate refreshed and granted to the Directors to allot, issue and deal with Shares at the extraordinary general meeting of the Company held on 25 March 2013
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Placees”	any professional, institutional and other investors (which may include the Placing Agent and its affiliates) selected and procured by or on behalf of the Placing Agent to purchase any of the Placing Shares under the Placing and Subscription Agreement

“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing and Subscription Agreement
“Placing Agent”	Yuanta Securities (Hong Kong) Company Limited, the Placing Agent and a licensed corporation to carry out regulated activities under the Securities and Futures Ordinance in Hong Kong
“Placing and Subscription Agreement”	the agreement dated 5 June 2013 and entered into among the Company, the Placing Agent and the Subscriber in respect of the Placing and the Subscription
“Placing Completion Date”	7 June 2013, or such other date as the Subscriber and the Placing Agent shall agree
“Placing Price”	the placing price of HK\$0.085 per Placing Share
“Placing Shares”	up to an aggregate of 274,000,000 existing Shares to be placed by the Placing Agent on behalf of the Subscriber under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Oil Resources Group Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.085 per Subscription Share
“Subscription Shares”	up to 274,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

By order of the Board  
**Mobile Telecom Network (Holdings) Limited**  
**Choi Ho Yan**  
*Executive Director*

Hong Kong, 5 June 2013

*As at the date of this announcement, the Board comprises four executive Directors, namely, 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](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).*