



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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2013**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on 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 GEM.

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This announcement, for which the directors (the “Directors”) of Mobile Telecom Network (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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.

* For identification purpose only

RESULTS

The board of Directors (the “Board”) of Mobile Telecom Network (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred as the “Group”) for the three months ended 30 June 2013, together with the unaudited comparative figures for the corresponding period in 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2013

		Three months ended 30 June	
		2013	2012
	Notes	HK\$'000	HK\$'000
Turnover		309,860	10,266
Other income		1,135	138
Changes in inventories of finished goods		(286,047)	–
Telecom operators and content providers costs		(2,069)	(2,561)
Employment costs		(9,639)	(5,492)
Research and development expenses		(3,669)	(2,445)
Depreciation and amortisation		(386)	(205)
Transportation expenses		(1,656)	–
Other operating expenses		(9,517)	(9,939)
Loss from operations		(1,988)	(10,238)
Finance costs	2	(2,432)	(666)
Share of losses of associates		(226)	(853)
Loss before tax		(4,646)	(11,757)
Income tax expense	3	(421)	–
Loss for the period		(5,067)	(11,757)
Loss for the period attributable to:			
Owners of the Company		(5,843)	(11,691)
Non-controlling interests		776	(66)
		(5,067)	(11,757)
Loss per share (HK cents)	4		
– Basic		(0.403)	(0.979)
– Diluted		N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2013

	Three months ended 30 June	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss for the period	(5,067)	(11,757)
Other comprehensive income, net of tax:		
Exchange difference on translating foreign operations	<u>6</u>	<u>(14)</u>
Total comprehensive income for the period	<u>(5,061)</u>	<u>(11,771)</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(5,867)	(11,705)
Non-controlling interests	<u>806</u>	<u>(66)</u>
	<u>(5,061)</u>	<u>(11,771)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2013

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share-based payment reserve HK\$'000	Warrant reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2012	91,946	58,499	16,375	2,943	1,131	1,213	7,400	17,056	(97,974)	98,589	18,306	116,895
Total comprehensive income for the period	-	-	-	-	(14)	-	-	-	(11,691)	(11,705)	(66)	(11,771)
Shares issued upon conversion of convertible bonds	3,765	7,365	-	-	-	-	-	(5,390)	-	5,740	-	5,740
At 30 June 2012	<u>95,711</u>	<u>65,864</u>	<u>16,375</u>	<u>2,943</u>	<u>1,117</u>	<u>1,213</u>	<u>7,400</u>	<u>11,666</u>	<u>(109,665)</u>	<u>92,624</u>	<u>18,240</u>	<u>110,864</u>
At 1 April 2013	107,019	78,312	16,375	2,943	1,201	8,246	7,400	16,992	(169,477)	69,011	21,415	90,426
Total comprehensive income for the period	-	-	-	-	(24)	-	-	-	(5,843)	(5,867)	806	(5,061)
Shares issued on placement	21,372	1,918	-	-	-	-	-	-	-	23,290	-	23,290
Transaction costs attributable to issue of new shares	-	(441)	-	-	-	-	-	-	-	(441)	-	(441)
Recognition of share option benefits at fair value	-	-	-	-	-	2,024	-	-	-	2,024	-	2,024
At 30 June 2013	<u>128,391</u>	<u>79,789</u>	<u>16,375</u>	<u>2,943</u>	<u>1,177</u>	<u>10,270</u>	<u>7,400</u>	<u>16,992</u>	<u>(175,320)</u>	<u>88,017</u>	<u>22,221</u>	<u>110,238</u>

Notes:

1. Basis of preparation

The unaudited condensed consolidated results for the three months ended 30 June 2013 have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange and the Hong Kong Companies Ordinance.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2013.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2013.

2. Finance costs

	Unaudited	
	Three months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Effective interest expenses on liability component of convertible bonds	956	606
Interest on bank loans	833	53
Interest on other loans	495	–
Interest on bonds	143	–
Finance leases charges	5	7
	<u>2,432</u>	<u>666</u>

3. Income tax expense

	Unaudited	
	Three months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
– Provision for the period	422	–
– Deferred tax	(1)	–
	<u>421</u>	<u>–</u>

Hong Kong Profits Tax is provided at 16.5% (2012: 16.5%) based on the estimated assessable profits for the period.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

4. Loss per share

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$5,843,000 (2012: approximately HK\$11,691,000) and the weighted average number of ordinary shares of 1,449,674,087 (2012: 1,194,580,479) in issue during the period.

(b) Diluted loss per share

As the exercise of the Group's outstanding convertible bonds, warrants and options for the three months ended 30 June 2013 and 30 June 2012 would be anti-dilutive, no diluted loss per share was presented for the three months ended 30 June 2013 and 30 June 2012.

5. Dividends

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2013 (2012: Nil).

6. Events after the reporting period

On 12 August 2013, the shareholders of the Company approved at an extraordinary general meeting (i) the change of name of the Company from "Mobile Telecom Network (Holdings) Limited" to "Gold Tat Group International Limited" and the adoption of "金達集團國際有限公司" as the dual foreign name of the Company to replace "流動電訊網絡(控股)有限公司" which has been used for identification purpose only; and (ii) the reduction of the share capital of the Company by cancelling the issued and paid up share capital to the extent of US\$0.009 on each of the issued ordinary shares with par value of US\$0.01 each, thereby reducing the nominal value of all the issued ordinary shares of the Company from US\$0.01 each to US\$0.001 each.

Details of the above are set out in the Company's circular dated 20 July 2013 and the Company's announcement dated 12 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 30 June 2013, the Group recorded an unaudited turnover of approximately HK\$309,860,000 (2012: approximately HK\$10,266,000), representing an increase of 2,918.31% over the corresponding period in 2012. The significant increase in turnover was mainly attributable to the new business activity of trading of electronic parts and components in relation to display modules and touch panel modules, which recorded a turnover of approximately HK\$298,905,000.

The Group recorded a loss for the three months ended 30 June 2013 of approximately HK\$5,067,000 (2012: approximately HK\$11,757,000), representing a decrease of 56.90% as compared with the corresponding period last year. The improvement in results was mainly attributable to the profit generated from the new business activity of trading of electronic parts and components in relation to display modules and touch panel modules and the profit contribution of mobile data solution business of the Group, which recorded a loss for the corresponding period last year.

The loss attributable to owners of the Company for the three months ended 30 June 2013 was approximately HK\$5,843,000 (2012: approximately HK\$11,691,000), representing an improvement with a decrease of 50.02% as compared with the corresponding period last year.

BUSINESS REVIEW

Mobile application and data solution

In **Mobile Application Development**, the Group continues to build on its strong position in all popular mobile platforms, such as iOS, Android, Window 8 and Blackberry, in developing, executing and implementation of technological services including cross-platforms for our clients, which increases our clients' value to their customers. Our additional integration service in marketing related activities such as download counts/frequency and Apps-launching related promotion campaigns are becoming a more standard package of choice. These service extension packages further consolidate our foundation as a market leader. Meanwhile, we are maintaining relations and services that satisfied our exiting clients such as the Hong Kong Jockey Club and the Hong Kong Airport Authority in the public sector, major retail banks and international brokerage houses either headquartered or with regional head offices in Hong Kong and Macau, reputable fashion and entertainment magazines like Elle and Marie Claire, and numerous hotel brands, utility services and public transport providers in Hong Kong.

Our award winning app, Movie Express (電影速遞), continues to be a favorite with the locals as proven by downloaded quantity. The addition features under the UX design has made the application one of the best mobile platform in providing the latest movie entertainment information such as trailers, stills, critics and schedules. The platform doubles up as a communication platform for users to connect and share with their friends on movie related thoughts via Facebook and WeChat, partly contributed to the app's increasing popularity. To capture this opportunity, features to improve Movie Express prompts the introduction of Augmented Reality (AR) technology, where users scanning movie posters can interact with the virtual reality to experience extensive features. We hope the extra values and their developments will raise customer expectations and further strengthen this platform in the long run.

In **IT Outsourcing and Consultation services**, a tailored solution strategy continues to be the core value of service. We strive to use our best technical knowledge to assist our clients to realize the ultimate customer needs. Main servicing industries currently are banking and finance, insurance and telecommunications, and we are constantly expanding our range to other industries. Synergy is created with our Mobile Application Development business since the Group is sensitive to the market trend during application developments plus the learning through feedbacks, refinements have led to unique and specific knowledge in designing that we always can create extra value for our clients beyond the utilization of the latest technology to target their customers. At present we serve Three Mobile (Hong Kong and Macau), Bank of China (Hong Kong and Macau), Standard Chartered Bank (Hong Kong), LUXE City Guides, The Hong Kong Jockey Club, China Light Power, and Vietnamobile, just to name a few.

Game Development, where the Group provides services in the capacity of digital creative consultancy specifically in relation to game/interactive application products on mobile, web, and social networking platforms. Proven track records in digital advertising, viral marketing and social game/community operations plus the synergy created through other areas of the mobile application and data solution give us a formidable advantage and extensive knowledge in this field. We are planning to further develop and invest in this field to capture the underlying yet explosive opportunity in the near future.

Trading of electronic parts and components in relation to display modules and touch panel modules, and provision of professional solution with engineering services

The Group carries out this operation under the brand of “ETC”. Over 10 years of experience plus extensive and excellent agency service contracts with two of the most renowned suppliers listed on the Taiwan Stock Exchange in electronic parts and components relating to display modules and touch panel modules. ETC is literally going from strength to strength with continuous increase in revenue reaching approximately HK\$298,905,000 this quarter.

ETC has maintained good relationships with its customers and the top 10 customers accounted for approximately 74.1% of its turnover, which include some reputable brands and sizeable merchandisers such as ZTE, Tian Ma, Lenovo, Huawei, Konka, LG and Haier, etc.

Property development and property investment

The latest announced proposed acquisition of the new real estate development project in PRC is at its very final stages of completion. This means the Group will be participating in 3 separate property development projects in the PRC; one is held in our 25% owned associated company, another is held in one of our subsidiaries and the newest to be acquired one with 35% is to be held as an associate company upon completion. At this stage, one of the development projects is nearing closer to an end with the respective partners actively completing the sale of the few remaining residential and commercial units; meanwhile continual developments of the latter two projects are going smoothly and we hope their sales may begin soon, depending on the market condition.

In Hong Kong, the Group has leased out the 2 residential properties therefore the Group continues to enjoy its stable assets foundation and returns.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2013, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

Name of Director/ chief executive	Capacity	Nature of interest	Number of shares held	Number of shares issuable under share options granted (Note 1)	Derivatives (number of underlying shares)	Total	Approximate percentage of issued share capital
Directors:							
Mr. Chan Wai Kwong, Peter	Beneficial owner	Personal interest	216,072	6,000,000	–	6,216,072	0.38%
Mr. Choi Ho Yan	Beneficial owner	Personal interest	–	6,000,000	–	6,000,000	0.36%
Mr. So Haw, Herman	Beneficial owner	Personal interest	–	4,000,000	–	4,000,000	0.24%
Mr. Chiu Wai Piu	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Mr. Cheung Kwan Hung, Anthony	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Mr. Heung Chee Hang, Eric	Beneficial owner	Personal interest	–	1,650,000	–	1,650,000	0.10%
Chief executive:							
Mr. Wong Chun Wai	Beneficial owner	Personal interest	–	3,000,000	18,720,000 (Note 2)	21,720,000	1.32%

Notes:

- Details are set out in the Share Options section below. All of the share options to Directors are physically settled equity derivatives.
- All interests in underlying shares are interests in convertible bonds of the Company which may be converted into 9,360,000 shares at a conversion price of HK\$0.25 per conversion share during the period from 10 April 2013 to 9 October 2015 and interests in convertible bonds of the Company which may be converted into 9,360,000 shares at a conversion price of HK\$0.25 per conversion share during the period from 10 October 2013 to 9 October 2015.
- As at 30 June 2013, the Company had a total of 1,645,388,373 shares in issue.

Save as disclosed above, as at 30 June 2013, none of the Directors and chief executive of the Company has or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and 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 Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2013, the Company had been notified of the following substantial shareholders' interest and short positions, being 5% or more of the issued share capital of the Company.

Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity	Nature of interest	Number of shares held	Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital
China Oil Resources Group Limited	Beneficial owner	Corporate interest	355,571,722	–	355,571,722	21.61%
PetroAsian Energy Holdings Limited	Interest in controlled corporation (<i>Note 1</i>)	Corporate interest	355,571,722	–	355,571,722	21.61%
Vodatel Information Limited	Beneficial owner	Corporate interest	115,419,392	–	115,419,392	7.01%
Vodatel Networks Holdings Limited	Interest in controlled corporation (<i>Note 2</i>)	Corporate interest	115,419,392	–	115,419,392	7.01%
Mr. Poon Sum	Beneficial owner	Personal interest	–	175,226,994 (<i>Note 3</i>)	175,226,994	10.65%
Mr. Poon Sau Tin	Beneficial owner	Personal interest	–	175,226,993 (<i>Note 3</i>)	175,226,993	10.65%

Notes:

1. PetroAsian Energy Holdings Limited (“PetroAsian Energy”) is deemed, by virtue of the SFO, to be interested in the 355,571,722 shares held by China Oil Resources Group Limited as China Oil Resources Group Limited is a direct wholly-owned subsidiary of PetroAsian Energy. PetroAsian Energy is a company incorporated in the Cayman Islands whose shares are listed on the Main Board (Stock code: 850). Those persons or corporations who are entitled to exercise or control the exercise of one-third or more of the voting power in general meetings of PetroAsian Energy or in accordance with whose directions or instructions PetroAsian Energy or its directors are accustomed to act or who are otherwise taken to be interested in any shares in which PetroAsian Energy is interested under the SFO will be deemed to be interested in the 355,571,722 shares which PetroAsian is deemed to be interested in. The names and particulars of the shareholdings of such persons or corporations (if any) in PetroAsian Energy can be found in the information published by PetroAsian Energy from time to time and from the website of the Stock Exchange at www.hkex.com.hk. According to the latest annual report of PetroAsian Energy, as at 31 March 2013, no person was interested or deemed to be interested in more than one-third of the then issued share capital of PetroAsian Energy.
2. Vodatel Networks Holdings Limited (“Vodatel”) is deemed, by virtue of the SFO, to be interested in the 115,419,392 shares held by Vodatel Information Limited as Vodatel Information Limited is a direct and wholly owned subsidiary of VDT Mobile Holdings Limited which is a direct and wholly owned subsidiary of Vodatel Holdings Limited, a direct and wholly owned subsidiary of Vodatel. Vodatel is a company incorporated in Bermuda whose shares are listed on GEM (Stock code: 8033). Those persons or corporations who are entitled to exercise or control the exercise of one-third or more of the voting power in general meetings of Vodatel or in accordance with whose directions or instructions Vodatel or its directors are accustomed to act or who are otherwise taken to be interested in any shares in which Vodatel is interested under the SFO will be deemed to be interested in the 115,419,392 shares which Vodatel is deemed to be interested in. The names and particulars of the shareholdings of such persons or corporations (if any) in Vodatel can be found in the information published by Vodatel from time to time and from the GEM website at www.hkgem.com. According to the latest interim report of Vodatel, as at 30 June 2013, Mr. Jose Manuel Dos Santos, Miss Lei Hon Kin, Eve Resources Limited, Ocean Hope Holdings Limited and HSBC International Trustee Limited were interested or deemed to be interested in more than one-third of the then issued share capital of Vodatel.
3. These underlying shares represent the new ordinary shares to be issued upon the conversion of convertible bonds by Mr. Poon Sum and Mr. Poon Sau Tin with aggregate principal amount of HK\$33,000,000 at adjusted conversion price of HK\$0.163 per conversion share and the exercise of warrants by Mr. Poon Sum and Mr. Poon Sau Tin with aggregate amount of HK\$22,200,000 at adjusted exercise price of HK\$0.150 per share.
4. As at 30 June 2013, the Company has a total of 1,645,388,373 shares in issue.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2013.

SHARE OPTIONS

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 27 March 2003, pursuant to which certain Directors and participants have been granted options to subscribe for shares.

The Pre-IPO Share Option Scheme has expired on 27 March 2013. The unexercised options under the Pre-IPO Share Option Scheme remain to be valid and exercisable subject to the provisions of the scheme until the end of the exercise periods.

Movements in the outstanding share options granted under the Pre-IPO Share Option Scheme during the three months ended 30 June 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 June 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option <i>HK\$</i>	Exercise price per share <i>HK\$</i>
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Other Participants										
Employees in aggregate (<i>Note</i>)	9 February 2007	12,565	-	-	-	12,565	0.0008%	9 February 2007 – 8 February 2017	1.00	0.078 (Adjusted)
	12 February 2008	25,130	-	-	-	25,130	0.0015%	12 February 2008 – 11 February 2018	1.00	0.152 (Adjusted)
Business Consultant										
Young Antony, Michael	27 March 2003	376,952	-	-	(376,952)	-	-	9 May 2003 – 8 May 2013	1.00	0.091 (Adjusted)
		<u>414,647</u>	<u>-</u>	<u>-</u>	<u>(376,952)</u>	<u>37,695</u>	<u>0.0023%</u>			

Note: Employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

Save as disclosed above, no options pursuant to the Pre-IPO Share Option Scheme have been granted, exercised and cancelled during the period under review.

Share Option Scheme

(i) 2003 Share Option Scheme

The 2003 Share Option Scheme has terminated on 25 March 2013. The unexercised options under the 2003 Share Option Scheme remain to be valid and exercisable subject to the provisions of the scheme until the end of the exercise periods.

Movements in the outstanding share options granted under the 2003 Share Option Scheme during the three months ended 30 June 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 June 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Dr. Chan Chung (deceased) (Note 1)	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Chan Wai Kwong, Peter	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Siu King Nin, Peter	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Choi Ho Yan	29 June 2011	3,000,000	-	-	-	3,000,000	0.182%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. So Haw, Herman	29 June 2011	1,000,000	-	-	-	1,000,000	0.061%	29 June 2011 – 28 June 2021	1.00	0.140
Independent Non-executive Directors										
Mr. Chiu Wai Piu	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Cheung Kwan Hung, Anthony	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Mr. Heung Chee Hang, Eric	29 June 2011	500,000	-	-	-	500,000	0.030%	29 June 2011 – 28 June 2021	1.00	0.140
Other Participants										
Employees in aggregate (Note 2)	17 February 2010	314,126	-	-	-	314,126	0.019%	17 February 2010 – 16 February 2020	1.00	0.107 (Adjusted)
	29 June 2011	4,000,000	-	-	-	4,000,000	0.243%	29 June 2011 – 28 June 2021	1.00	0.140
		<u>18,814,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,814,126</u>	<u>1.143%</u>			

Notes:

1. According to the 2003 Share Option Scheme and following the demise of Dr. Chan Chung on 20 December 2012, the title to the relevant share options of the late Dr. Chan Chung would pass to his personal representative who is entitled to exercise the same during a period of 12 months following 20 December 2012.
2. Employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

(ii) 2013 Share Option Scheme

The Company adopted the 2013 Share Option Scheme on 25 March 2013, pursuant to which certain Directors and participants have been granted options to subscribe for shares.

Movements in the outstanding share options granted under the 2013 Share Option Scheme during the three months ended 30 June 2013 are set out below.

Name	Date of grant	Number of Share Options				Outstanding as at 30 June 2013	Approximate percentage of issued share capital	Option period	Consideration for the grant of the option HK\$	Exercise price per share HK\$
		Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period					
Executive Directors										
Mr. Chan Wai Kwong, Peter	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Siu King Nin, Peter	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Choi Ho Yan	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. So Haw, Herman	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Independent Non-executive Directors										
Mr. Chiu Wai Piu	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Cheung Kwan Hung, Anthony	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	28 March 2013 – 27 March 2023	1.00	0.150
Mr. Heung Chee Hang, Eric	28 March 2013	1,150,000	-	-	-	1,150,000	0.070%	28 March 2013 – 27 March 2023	1.00	0.150
Chief Executive										
Mr. Wong Chun Wai	28 March 2013	3,000,000	-	-	-	3,000,000	0.182%	28 March 2013 – 27 March 2023	1.00	0.150
Other Participants										
Employees in aggregate (Note 1)	28 March 2013	45,000,000	-	-	-	45,000,000	2.735%	28 March 2013 – 27 March 2023	1.00	0.150
Other eligible participants	28 March 2013	35,000,000	-	-	-	35,000,000	2.127%	28 March 2013 – 27 March 2023	1.00	0.150
		<u>98,450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,450,000</u>	<u>5.983%</u>			

Notes:

1. Employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

Save as disclosed above, no options pursuant to the Share Option Scheme have been granted, exercised and cancelled during the period under review.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

During the period under review, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules except for the deviation from code provision A.2.1 which is explained as follows:

Under the code provision A.2.1, the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The Company does not at present have a chairman of the Board. The Company will continue to review the effectiveness of the Group's corporate governance structure and consider the appointment of a chairman of the Board if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in the GEM Listing Rules 5.48 to 5.67 as the code of conduct regarding Directors' securities transactions and all Directors have complied with the required standard of dealings set out therein.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the GEM Listing Rules. The audit committee has three members comprising all independent non-executive Directors namely Mr. Chiu Wai Piu, Mr. Cheung Kwan Hung, Anthony and Mr. Heung Chee Hang, Eric.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing and monitoring the external auditors' independence; reviewing the quarterly reports, interim report, annual report and accounts of the Group; and overseeing the Company's financial reporting system and internal control procedures.

The audit committee has reviewed the unaudited quarterly results announcement for the three months ended 30 June 2013 and has provided advice and comments thereon.

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

Hong Kong, 12 August 2013

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chan Wai Kwong, 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 will remain on the GEM website at 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.