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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 BONDS

Placing Agent



DELTA WEALTH SECURITIES LIMITED

PLACING OF BONDS

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

On 29 August 2013, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent for the purposes of arranging subscribers on a best effort basis for the issue of the Bonds in up to 16 tranches with an aggregate principal amount of up to HK\$80,000,000.

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

THE PLACING AGREEMENT

Date

29 August 2013

Parties

Issuer : the Company

Placing Agent : Delta Wealth Securities Limited

* For identification purpose only

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing of Bonds

Pursuant to the Placing Agreement, the Placing Agent agreed to act as placing agent for the purposes of arranging subscribers on a best effort basis for the issue of the Bonds in up to 16 tranches with an aggregate principal amount of up to HK\$80,000,000.

Placees

The Bonds will be placed to Placees which will be independent institutional or private investors, and who and whose ultimate beneficial owners are Independent Third Parties.

Bonds

The principal terms of the Bonds are summarised below:

Issuer:	the Company
Principal amount:	up to HK\$80,000,000
Issue Price:	100% of the principal amount of the Bonds
Maturity date:	on the date falling on the seventh anniversary of the date of first issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter)
Interest rate:	5% per annum, accrued daily on a 365 days basis and payable annually in arrears
Form and Denomination:	In registered form and in denominations of HK\$5,000,000 each
Status:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds.

Transferability: The Bonds may be transferrable in whole multiples of HK\$5,000,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person. Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person of the Company.

Redemption on maturity: The Company shall redeem the Bonds which remain outstanding by 4:00 p.m. on the date falling on the seventh anniversary of the date of first issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter) at 100% of the principal amount.

The terms of the Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

Conditions of the Placing of Bonds

The Placing of Bonds is conditional upon the fulfillment (or waiver by the Placing Agent) of the following conditions at or before 4:00 p.m. (Hong Kong time) on the date falling 90 days after the date of signing of the Placing Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing):

- (1) none of the warranties given by the Company under the Placing Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (2) the Completion Notice having been served by the Placing Agent to the Company.

The Placing Agent may at any time waive in writing the condition (1). Condition (2) above is incapable of being waived. If the conditions have not been fulfilled (or, as the case may be, waived by the Placing Agent) at or before 4:00 p.m. (Hong Kong time) on the date falling 90 days after the date of the signing of the Placing Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing), the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

Completion of the Placing of Bonds

Completion of the Placing of Bonds will take place on or before the third Business Day after the conditions precedent have been fulfilled (or, as the case may be, waived by the Placing Agent) (or such later time and date as the Placing Agent and the Company may agree in writing).

REASONS FOR THE PLACING OF BONDS AND USE OF PROCEEDS

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, and provision of professional solution with engineering services to meet individual customer needs.

The Board have considered various ways of raising funds to develop its businesses and consider that the Placing of Bonds represent a suitable opportunity to raise capital for the Company. In addition, the Placing of Bonds will not be resulted in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing of Bonds provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross and net proceeds of the Placing of Bonds will be HK\$80,000,000 and approximately HK\$77,200,000 respectively (assuming the Bonds are placed in full). The Directors intend to apply the net proceeds of the Placing of the Bonds as general working capital of the Group.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds (approx.)	Intended use of proceeds	Actual use of proceeds
26 November 2012	Placing of existing Shares and subscription of new Shares under the general mandate	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)	HK\$1,000,000 from the placing of warrants and HK\$20,140,000 (based 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	HK\$96,350,000	As general working capital of the Group	HK\$19,300,000 used as intended. The placing of bonds of the remaining balances has expired on 18 August 2013
5 June 2013	Placing of existing Shares and subscription of new Shares under the general mandate	HK\$22,750,000	(i) HK\$20,000,000 for the proposed acquisition of 70% equity interests in Best Worldwide Corporation Limited; and (ii) HK\$2,750,000 as the general working capital of the Group	(i) HK\$20,000,000 used as a refundable deposit for the proposed acquisition of 70% equity interests in Best Worldwide Corporation Limited; and (ii) HK\$2,750,000 used as intended

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

Completion of the Placing of Bonds is subject to fulfillment of the conditions precedent under the Placing Agreement and the Placing Agent’s rights of termination of the Placing of Bonds under the Placing Agreement. Accordingly, the Placing of Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Bonds”	the seven-year 5% coupon straight bonds with an aggregate principal amount of up to HK\$80,000,000 in up to 16 tranches to be placed pursuant to the Placing Agreement
“Business Day”	a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on GEM
“Completion Notice”	a notice in writing to be issued and served by the Placing Agent to the Company specifying, among other things, the completion date and the principal amount of the Bonds to be issued by the Company
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	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 connected persons of the Company
“Placees”	any independent institutional or private investors selected and procured by or on behalf of the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement
“Placing Agent”	Delta Wealth Securities Limited, acting as the placing agent of the Bonds under the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 29 August 2013 and entered into between the Company and the Placing Agent in relation to the Placing of the Bonds
“Placing of Bonds”	the placing of the Bonds pursuant to the terms of the Placing Agreement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 29 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, 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.