
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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This circular, for which the directors (the “Directors”) of Mobile Telecom Network (Holdings) Limited collectively and individually accept full responsibility, including particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, (i) the information contained in the circular are accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **Mobile Telecom Network (Holdings) Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



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)

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO THE
MEMORANDUM AND ARTICLES OF ASSOCIATION**

A notice convening the Annual General Meeting of the Company to be held at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Wednesday, 28 July 2004 at 11:00 a.m., is sent out with the 2004 Annual Report. Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying proxy form to the Company's branch registrar in Hong Kong, Computershare Hong Kong Securities Limited, Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be). The return of the proxy form will not preclude you from attending and voting in person in the Annual General Meeting if you so wish.

This circular 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 posting.

3 June 2004

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix — Explanatory Statement	7
Notice of Annual General Meeting	11

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2004 Annual Report”	the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2004
“Annual General Meeting”	the annual general meeting of the Company for the financial year ended 31 March 2004 to be held at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Wednesday, 28 July 2004 at 11:00 a.m., the notice of which is set out on pages 11 to 19 of this circular
“Associate(s)”	has the meanings ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands and whose shares are listed on GEM
“Director(s)”	the 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 of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20 per cent. of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	31 May 2004, being the latest practicable date prior to the printing of this circular

DEFINITIONS

“Memorandum and Articles of Association”	the existing memorandum and articles of association of the Company adopted on 27 March 2003
“Notice”	the notice convening the Annual General Meeting which is set out on pages 11 to 19 of this circular
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing the resolution approving the Repurchase Mandate
“Resolution No. 4”	the ordinary resolution no. 4 as set out in the Notice
“Resolution No. 5”	the special resolution no. 5 as set out in the Notice
“Share(s)”	ordinary share(s) of US\$0.01 (equivalent to approximately HK\$0.078) each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chan Chung (*Chairman*)

Mr. Chan Wai Kwong, Peter

Non-executive Directors:

Mr. Chen Man Lung

Mr. Goh Yu Min

Ms. Monica Maria Nunes

Independent non-executive Directors:

Mr. Jeffery Matthew Bistrong

Mr. Charles George St. John Reed

Registered office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

Head office and principal

place of business:

Room 3401

China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

3 June 2004

To the shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting. These include: (i) the ordinary resolutions granting the Directors general mandates to issue new Shares and to repurchase Shares; and (ii) the special resolution amending the Memorandum and Articles of Association.

* For identification purpose only

LETTER FROM THE BOARD

At the Annual General Meeting for the year ended 31 March 2004 of Mobile Telecom Network (Holdings) Limited to be held at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Wednesday, 28 July 2004 at 11:00 a.m., resolutions will be proposed to grant to the Directors, inter alia, the Issue Mandate and the Repurchase Mandate. This circular contains the explanatory statements in compliance with the GEM Listing Rules and to give all the information reasonably necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolutions to grant to the Directors of such mandates.

GENERAL MANDATES

On 21 August 2003, an ordinary resolution was passed by the then shareholders of the Company giving a general unconditional mandate to the Directors to allot, issue and deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution.

On the same day, an ordinary resolution was passed by the then shareholders of the Company giving a general unconditional mandate to the Directors to repurchase such number of Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution.

The above general mandates will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to give fresh general mandates to the Directors.

At the Annual General Meeting, separate ordinary resolutions will be proposed to give the Directors a fresh general mandate (i) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of resolution no. 4(A) as set out in the Notice; (ii) to repurchase Shares with an aggregate nominal amount up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of resolution no. 4(B). The Repurchase Mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the Repurchase Mandate; and (iii) to add to such general mandate so granted to the Directors to allot, issue and deal with additional Shares by an amount representing the aggregate nominal amount of the share capital of the Company (up to a maximum of 10% of the aggregate nominal amount of the then issued share capital of the Company) repurchased under the Repurchase Mandate. The relevant resolution is set out as resolution no. 4(C) in the Notice.

LETTER FROM THE BOARD

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Stock Exchange has announced amendments to the GEM Listing Rules which include, among other things, amendments to Appendix 3 of the GEM Listing Rules that have come into effect on 31 March 2004.

In order to comply with the amended GEM Listing Rules, the Directors wish to seek the approval of the shareholders of the Company at the Annual General Meeting to adopt the proposed amendments to the Memorandum and Articles of Association including, inter alia, the following provisions:

- (i) the minimum 7 day period for lodgement by shareholders of the notice to nominate a director shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days before the date of such meeting;
- (ii) a director shall abstain from voting on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting; and
- (iii) where any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The full text of the proposed amendments to the Memorandum and Articles of Association are set out in the Notice on pages 11 to 19 of this circular.

In addition, the Directors also propose that the new memorandum and articles of association of the Company, consolidating all the changes to be passed by the shareholders of the Company at the Annual General Meeting, be adopted in replacement of the Memorandum and Articles of Association with effect from the date of passing of Resolution No. 5.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A Notice convening the Annual General Meeting to be held at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Wednesday, 28 July 2004 at 11:00 a.m. is set out on pages 11 to 19 of this circular.

A form of proxy of the Annual General Meeting is enclosed with the 2004 Annual Report. Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying proxy form to the Company's branch registrar in Hong Kong, Computershare Hong Kong Securities Limited, Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of the proxy form will not preclude you from attending and voting in person in the Annual General Meeting if you so wish.

Pursuant to Article 66 of the Memorandum and Articles of Association, a poll may be demanded at any general meeting before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll by (1) chairman of the meeting; or (2) at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or (3) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (4) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

RECOMMENDATION

The Directors consider that the proposals referred to in this circular are in the best interests of the Company and its shareholders and so recommend you to vote in favour of the Resolutions Nos. 4 and 5 of the Notice to be proposed at the Annual General Meeting.

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

This is an explanatory statement given to all shareholders of the Company relating to resolution no. 4(B) to be proposed at the Annual General Meeting authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised of 440,000,000 Shares.

Subject to the passing of resolution no. 4(B) and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 44,000,000 fully-paid Shares during the period from the date of the passing of resolution no. 4(B) as set out in the Notice. The Repurchase Mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the Repurchase Mandate.

2. REASON FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

The Company is empowered by its Memorandum and Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital of the Company will not be reduced.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2004 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
June	0.300	0.270
July	0.295	0.275
August	0.300	0.280
September	0.300	0.285
October	0.310	0.300
November	0.330	0.310
December	0.315	0.295
2004		
January	0.310	0.295
February	0.315	0.295
March	0.320	0.315
April	0.320	0.320
From 1 May 2004 to the Latest Practicable Date	0.350	0.320

6. DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, their Associates, has any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by the Shareholders, to sell Shares to the Company.

No connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the repurchase mandate is approved by the Shareholders. In accordance with the GEM Listing Rules, the Company is prohibited from knowingly purchase Shares from a connected person on GEM and a connected person shall not knowingly sell his Shares to the Company.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

8. THE CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the following shareholders are interested in more than 10% of the Shares then in issue:

Name of shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Silicon Asia Limited ("Silicon") (<i>note (i)</i>)	180,265,861	41.0%	45.52%
Mr. Chan Chung	180,265,861	41.0%	45.52%
Vodatel Information Limited ("Vodatel") (<i>note (ii)</i>)	63,804,466	14.5%	16.11%
Vodatel Networks Holdings Limited ("VNHL")	63,804,466	14.5%	16.11%

Notes:

- (i) Silicon is wholly owned by Mr. Chan Chung.
- (ii) Vodatel is indirectly wholly owned by VNHL.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above substantial shareholders would be increased to approximately the respective percentages shown in the last column above and such increase may give rise to an obligation to make a mandatory offer by Silicon under Rule 26 of the Code.

However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

9. SHARE PURCHASE MADE BY THE COMPANY

No purchases of Shares have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “Annual General Meeting”) of Mobile Telecom Network (Holdings) Limited (the “Company”) will be held at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Wednesday, 28 July 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31 March 2004;
2. To re-elect the retiring directors (see note 4) and to authorise the board of directors (the “Board”) to fix the directors’ remuneration;
3. To re-appoint the auditors and to authorise the Board to fix their remuneration.

ORDINARY RESOLUTIONS

4. To consider and if thought fit, pass the following resolutions as ordinary resolutions:—

A. **“THAT**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities (“GEM Listing Rules”) on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with the new shares in the share capital of the Company, and to make or grants offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or issued conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; or (iii) the exercise of any option under the share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Memorandum and Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares in the Company or any class thereof on the register on a fixed record date in proportion to their holdings of shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restriction or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

B. “THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares on the GEM or any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“Securities and Future Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Future Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” shall have the same meanings as ascribed to it under paragraph (d) of resolution no. 4(A).”

C. “THAT

Conditional upon resolutions nos. 4(A) and 4(B) above being passed, the general mandate granted to the Directors pursuant to resolution no. 4(A) to exercise the powers of the Company to allot shares in the capital of the Company be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4(B), provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

5. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

A. **“THAT** the memorandum and articles of association of the Company be and are hereby amended as follows:

(a) By inserting the following new definitions in Article 2:

“Associate” shall have the meaning attributed to it in the rules of the Designated Stock Exchange;

“GEM” the Growth Enterprise Market of the Stock Exchange;

“GEM Listing Rules” the Rules Governing the Listing of Securities on GEM of the Stock Exchange;

“HK Code of Takeovers & Mergers” the Hong Kong Code of Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time;

“publication on the GEM website” publication in the form prescribed in the GEM Listing Rules, in both the English and Chinese languages on the website of the GEM of the Stock Exchange;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

(b) By amending the following definitions in Article 2:

(i) By deleting the existing definition of “clearing house” in Article 2(1) and substituting therefore the following:

““clearing house” shall mean a “clearing house” within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force;”

NOTICE OF ANNUAL GENERAL MEETING

- (ii) By deleting the existing definition of “Subsidiary and Holding Company” in Article 2(1) and substituting therefore the following:

““Subsidiary and Holding Company” shall have the meanings attributed to such terms in the Companies Ordinance of Hong Kong, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under rule 1.01 of the GEM Listing Rules.”

- (c) By amending the following in Article 76:

- (i) By re-numbering existing Article 76 as Article 76(1);

- (ii) By inserting the following as new Article 76(2):

“(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

- (d) By amending the following in Article 88:

By deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in the last sentence of Article 88 and replacing therewith the following provision:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

- (e) By amending the following in Article 103(1):

- (i) By adding the words “or any of his associate(s)” immediately after the words “in which he” in the first paragraph of Article 103(1);

- (ii) By adding the followings in Article 103(1)(i):

— the words “or his associate(s)” immediately after the words “such Directors”;

NOTICE OF ANNUAL GENERAL MEETING

- the words “or any of his associate(s)” immediately after the words “money lent by him” and “undertaken by him”, respectively;
- (iii) By adding the followings in Article 103(1)(ii):
- the words “or his associate(s)” immediately after the words “the Director”;
 - the words “or themselves” immediately after the words “has himself”;
- (iv) By adding the followings in Article 103(1)(iii):
- the words “or his associate(s)” immediately after the words “the Directors”;
 - the words “or are” immediately after each of the word “is”, respectively;
- (v) By adding the followings in Article 103(1)(iv):
- the words “or his associate(s)” immediately after the words “in which he”;
 - the words “or their” immediately after the word “of his”;
- (vi) By amending the followings in Article 103(1)(v):
- adding the words “or his associate(s)” immediately after the words “in which he”;
 - adding the words “or are” immediately before the words “interested only” and “beneficially interested in”, respectively;
 - replacing the words “together with any of his associates (as defined by the rules, where applicable, of the Designated Stock Exchange)” immediately after the words “in which the Directors” by “and/or his associate(s)”;
 - adding the words “or that of any of his associate(s)” immediately after the words “which his interest”;

NOTICE OF ANNUAL GENERAL MEETING

- (vii) By adding the words “or his associate(s)” immediately after the words “to directors” and “any Director”, respectively, in Article 103(1)(vi);
- (f) By deleting the existing Articles 103(2) and (3) in its entirety and replacing therewith the following new Articles 103(2) and (3):

“103(2) A company shall be deemed to be a company in which a Director and/or his an associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/ are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right;

“103(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction;

- (g) By adding the followings in Article 103(4):
- (i) the words “or his associate(s)” immediately after the words “(other than the chairman of the meeting)”;
- (ii) the words “and/or his associate(s)” immediately after the words “extent of the interest of the Director””

NOTICE OF ANNUAL GENERAL MEETING

- B. “**THAT** new memorandum and articles of association of the Company, consolidating all of the changes referred to above and in the form produced to the meeting, be and are hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company.”

By order of the Board
Mobile Telecom Network (Holdings) Limited
Yip Heung Yin, Alex
Company Secretary

Hong Kong, 3 June 2004

Head office and principal place of business:

Room 3401

China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Securities Limited, Room 1901-5, 19 Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting.
- (3) In the case of joint holders of any shares in the Company any one of such joint holders may vote at the annual general meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stand first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
- (4) The profiles of the Directors of the Company to be re-elected in the Annual General Meeting are as follows:

Independent non-executive Directors

- (a) Mr. Jeffery Matthew Bistrong, was appointed as an independent non-executive Director in March 2002. Mr. Bistrong is a director of Harris Williams & Co, an investment banking company in the United States of America. Mr. Bistrong graduated with a master degree in business administration and a master degree in art from the University of Michigan in 1988. Mr. Bistrong has entered into a service contract with the Company on 27 March 2003 for a period of two-year term expiring on 26 March 2005. Pursuant to the service contract, the aggregate remuneration for his service contract is

NOTICE OF ANNUAL GENERAL MEETING

HK\$200,000 which was determined by the Board on the bases of prevailing market conditions. There is no fixed or discretionary bonus payable to Mr. Bistrong pursuant to his service contract, and the aggregate remuneration paid to him for the year ended 31 March 2004 is approximately HK\$96,000. Mr. Bistrong does not have any shareholdings or interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance as at 31 March 2004.

- (b) Mr. Charles George St. John Reed, was appointed as an independent non-executive Director in March 2004. Mr. Reed is a director of Ntegrator Pte Ltd., an Asia wide telecommunications systems integrator. He graduated with a bachelor degree in engineering mathematics from the University of Bristol. Mr. Reed has entered into a service contract with the Company on 18 March 2004 for a period of two-year term expiring on 17 March 2006. Pursuant to the service contract, the aggregate remuneration for his service contract is HK\$200,000 which was determined by the Board on the bases of prevailing market conditions. There is no fixed or discretionary bonus payable to Mr. Reed pursuant to his service contract, and the aggregate remuneration paid to him for the year ended 31 March 2004 is approximately HK\$4,000. Mr. Reed does not have any shareholdings or interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance as at 31 March 2004.