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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)

ANNOUNCEMENT

The Directors wish to announce that the Parties entered into the Letter of Intent in relation to the Proposed Disposal on 16 February 2006.

Save as disclosed in this announcement, no detailed terms of the Proposed Disposal have been agreed by the Parties. The Letter of Intent may or may not lead to any agreement and the transactions contemplated thereunder may or may not proceed. Should the Proposed Disposal proceed and constitute any notifiable transaction as defined under Chapter 19 of the GEM Listing Rules, a further announcement will be made by the Company in compliance with the relevant provisions of the GEM Listing Rules.

As the Proposed Disposal may or may not proceed, shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

The directors (the “Directors”) of Mobile Telecom Network (Holdings) Limited (the “Company”) wish to announce that on 16 February 2006, the shareholders of Mobilemode Limited (“Mobilemode”), a 60% owned subsidiary of the Company, and a potential purchaser (the “Potential Purchaser”) (collectively, the “Parties”) entered into a non-binding letter of intent (the “Letter of Intent”) in relation to the proposed disposal of the entire equity interest in Mobilemode (the “Proposed Disposal”). Mobilemode is principally engaged in the provision of ring tones and java games to tele-operators mobile portals in Australia, Singapore and Malaysia.

Pursuant to the Letter of Intent but subject to the entering into of a formal agreement which will be negotiated between the Parties in details:

- the shareholders of Mobilemode offer to sell and the Potential Purchaser offers to acquire the entire issued ordinary share capital of Mobilemode together with the assets, tangible and intangible, liabilities and operations of Mobilemode;
- the consideration for the Proposed Disposal is intended to be satisfied by a combination of cash and the ordinary shares of the Potential Purchaser;

* *for identification purpose only*

- the Potential Purchaser is allowed to conduct due diligence review of the corporate matters, the business, financial and other conditions of Mobilemode;
- the Parties will come up with a detailed proposal for implementing the Proposed Disposal; and
- the Parties will use their respective reasonable endeavours to achieve the completion of the Proposed Disposal upon, inter alia, the Potential Purchaser being satisfied with the results of the aforementioned due diligence review, on or before 16 April 2006.

To the best knowledge of the Directors, the Potential Purchaser is an independent third party who is independent from and not connected with any of the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates (within their respective meanings as defined under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM”) (the “GEM Listing Rules”)) from time to time.

Save as disclosed above, no detailed terms have been agreed by the Parties. The Letter of Intent may or may not lead to any agreement and the transactions contemplated thereunder may or may not proceed. Should the Proposed Disposal proceed and constitute any notifiable transaction as defined under Chapter 19 of the GEM Listing Rules, a further announcement will be made by the Company in compliance with the relevant provisions of the GEM Listing Rules.

As the Proposed Disposal may or may not proceed, shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Mobile Telecom Network (Holdings) Limited
Fok Chi Tak, Eric
Company Secretary

Hong Kong, 27 February 2006

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Chan Chung (Chairman) and Mr. Chan Wai Kwong, Peter; one non-executive Director, namely Mr. Goh Yu Min; and three independent non-executive Directors, namely Mr. Jeffery Matthew Bistrong, Mr. Charles George St. John Reed and Mr. Ko Tak Fai, Desmond.

This announcement, for which the Directors 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the day of its posting.