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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)

OPEN OFFER OF NOT LESS THAN 588,567,428 OFFER SHARES AND NOT MORE THAN 592,147,428 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY SHARE HELD ON THE RECORD DATE

Underwriter



Ever-Long Securities Company Limited

OPEN OFFER

The Company proposes to raise not less than approximately HK\$58.86 million before expenses, by way of Open Offer of not less than 588,567,428 Offer Shares and not more than 592,147,428 Offer Shares at the Subscription Price of HK\$0.1 per Offer Share on the basis of one Offer Share for every Share held on the Record Date and payable in full on acceptance. Qualifying Shareholders are not entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer will not be extended to the Prohibited Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on 5 May 2011. The register of members of the Company will be closed from 6 May 2011 to 13 May 2011, both dates inclusive, to determine the eligibility of the Open Offer.

PetroAsian has given the Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) to procure the subscription of the 177,785,861 Offer Shares for which China Oil is entitled pursuant to the Open Offer; (ii) that the 177,785,861 Shares registered in the name of and beneficially owned by China Oil will remain registered in the name of and beneficially owned by China Oil up to and including the Latest Time for Termination; and (iii) that PetroAsian will remain the ultimate legal and beneficial owner of the entire issued share capital of China Oil up to and including the Latest Time for Termination.

* For identification purpose only

Mr. Poon Sum and Mr. Poon Sau Tin have also given an irrevocable undertaking that they will not (i) exercise any conversion rights attaching to the Convertible Bonds on or before the Record Date or otherwise to convert part or the whole of the Convertible Bonds into Shares on or before the Record Date; and (ii) exercise any subscription rights attaching to the Warrants on or before the Record Date or otherwise to subscribe for part or the whole of the Warrant Shares on or before the Record Date.

The Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be procured to be taken up by China Oil under the Undertaking) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$56.36 million and not more than approximately HK\$56.71 million.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 4 May 2011 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer are subject are fulfilled (which is expected to be on 7 June 2011), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

GEM LISTING RULE IMPLICATIONS

As the Open Offer will increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Open Offer is subject to approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of Rules 10.39, 10.39A and 10.39B of the GEM Listing Rules. China Oil, being the controlling Shareholder, and its associates shall abstain from voting in respect of the 177,785,861 Shares held by them, representing approximately 30.21% of the issued share capital of the Company as at the date of this announcement, in favour of the resolution relating to the Open Offer.

GENERAL

An independent board committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and whether the Open Offer are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, an independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other things, details of the Open Offer, the recommendation from the Independent Board Committee, the advice of the independent financial adviser on the Open Offer and a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

OPEN OFFER

Issue statistics

Basis of the Open Offer:	One Offer Share for every Share held on the Record Date and payable in full on acceptance
Subscription Price:	HK\$0.1 per Offer Share
Number of Shares in issue as at the date of this announcement:	588,567,428 Shares
Number of Shares to be allotted and issued upon the exercise of the rights for all outstanding Options granted:	3,580,000 Shares
Number of Offer Shares:	Not less than 588,567,428 Offer Shares and not more than 592,147,428 Offer Shares (assuming full exercise of all outstanding Options prior to the Record Date). The aggregate nominal value of the Offer Shares is not less than US\$5,885,674.28 (equivalent to approximately HK\$45,908,000) and not more than approximately US\$5,921,474.28 (equivalent to approximately HK\$46,187,000).

Number of Offer Shares undertaken to be procured to be taken up by China Oil:	PetroAsian has given the Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) to procure the subscription of the 177,785,861 Offer Shares for which China Oil is entitled pursuant to the Open Offer; (ii) that the 177,785,861 Shares registered in the name of and beneficially owned by China Oil will remain registered in the name of and beneficially owned by China Oil up to and including the Latest Time for Termination; and (iii) that PetroAsian will remain the ultimate legal and beneficial owner of the entire issued share capital of China Oil up to and including the Latest Time for Termination.
Number of Offer Shares underwritten by the Underwriter:	Not less than 410,781,567 Offer Shares and not more than 414,361,567 Offer Shares, being the number of the Offer Shares, less the aggregate number of the Offer Shares to be taken up by China Oil under the Undertaking.
Number of Shares in issue upon completion of the Open Offer:	Not less than 1,177,134,856 Shares and not more than 1,184,294,856 Shares

As at the date of this announcement, the Company has 3,580,000 outstanding Options entitling the holders thereof to subscribe for 3,580,000 Shares. Save for the Options, the Company has no other outstanding warrants, options or convertible securities as at the date of this announcement.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders, and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders (if any). To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be the Prohibited Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on 5 May 2011. The address of the Registrar is at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

Save for China Oil which will take up 177,785,861 Offer Shares under the Undertaking, the Board has not received any information from any substantial Shareholders of their intention to take up the Offer Shares offered to them as at the date of this announcement.

Closure of register of members

The register of members of the Company will be closed from 6 May 2011 to 13 May 2011, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price is HK\$0.1 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 62.26% to the closing price of HK\$0.265 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.36% to the theoretical ex-entitlement price of approximately HK\$0.183 per Share based on the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 64.79% to the average of the closing prices of HK\$0.284 per Share for the last five consecutive trading days including and up to the Last Trading Day; and
- (iv) a premium of approximately 29.87% to the net asset value per Share of approximately HK\$0.077 based on the unaudited consolidated financial statements of the Group as at 31 December 2010 and the number of Shares in issue as at the date of this announcement.

The net Subscription Price per Offer Share (after deducting all relevant expenses) will be approximately HK\$0.096.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the current market conditions. In order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (including the independent non-executive Directors) consider that the proposed discount of the Subscription Price to the market price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors) consider the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company will send the Prospectus to the Prohibited Shareholders for their information only and the Company will not send the Application Form to the Prohibited Shareholders.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Certificates of the Offer Shares

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before 14 June 2011 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for the Offer Shares by ordinary post at their own risk.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of member of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the GEM Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

Application for excess Offer Shares

The Company will not make available for subscription by the Qualifying Shareholders by means of excess application of any excess Offer Shares. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Prohibited Shareholders would otherwise have been entitled to under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs will be less in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. The Offer Shares will have the same board lot size of 8000 Shares per board lot. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 4 April 2011

Underwriter: Ever-Long Securities Company Limited

**Number of Offer Shares
underwritten:** Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up under the Undertaking) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

The Underwriter shall be entitled to an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the actual number of the Offer Shares less the number of the Offer Shares taken up by China Oil under the Undertaking. The Company will also reimburse the Underwriter reasonable legal fees and other reasonable expenses in respect of the Open Offer.

Undertaking given by PetroAsian

PetroAsian has given the Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) to procure the subscription of the 177,785,861 Offer Shares for which China Oil is entitled pursuant to the Open Offer; (ii) that the 177,785,861 Shares registered in the name of and beneficially owned by China Oil will remain registered in the name of and beneficially owned by China Oil up to and including the Latest Time for Termination; (iii) that PetroAsian will remain the ultimate legal and beneficial owner of the entire issued share capital of China Oil up to and including the Latest Time for Termination; and (iv) save for the Offer Shares to be acquired under the Undertaking, it will not and shall procure that its nominees, any other companies controlled by it shall not, without first having obtained the prior written consent of the Underwriter and the Company, transfer or otherwise dispose of or acquire any Share or any interest therein between the date of the Underwriting Agreement and the Latest Time for Termination.

Undertaking given by Mr. Poon Sum and Mr. Poon Sau Tin

Pursuant to the terms of the Sale and Purchase Agreement, upon completion of the Sale and Purchase Agreement, the Company will issue the Convertible Bonds and the Warrants to Mr. Poon Sum and Mr. Poon Sau Tin.

Mr. Poon Sum and Mr. Poon Sau Tin have also given an irrevocable undertaking that they will not (i) exercise any conversion rights attaching to the Convertible Bonds on or before the Record Date or otherwise to convert part or the whole of the Convertible Bonds into Shares on or before the Record Date; and (ii) exercise any subscription rights attaching to the Warrants on or before the Record Date or otherwise to subscribe for part or the whole of the Warrant Shares on or before the Record Date.

Undertaking given by the Underwriter

The Underwriter (for itself and on behalf of the sub-underwriter(s)) has undertaken to the Company that: (i) the Underwriter and/or the sub-underwriter(s) will not trigger a mandatory offer obligation under Rule 26 of the Hong Kong Code on Takeovers and Mergers on the part of the Underwriter and/or the sub-underwriter(s) in respect of performing its/their obligations under the Underwriting Agreement; and (ii) none of the Underwriter, the subunderwriter and the subscribers procured by them will be a substantial Shareholder holding 10% or more shareholding in the Company.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination, any of the following happens:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer, or
- (e) the Prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares provisionally allotted to it.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus if required by the GEM Listing Rules, and a letter to the Prohibited Shareholders, if any, for information purpose only, explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (c) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares by no later than the first day of their dealings;
- (d) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement; and
- (e) compliance with and performance of all the undertakings and obligations of PetroAsian under the Undertaking of the Underwriting Agreement.

The conditions precedent are incapable of being waived. If the conditions precedent are not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in development, provision and sales of mobile internet communication telecommunications and related services.

The gross proceeds from the Open Offer will not be less than approximately HK\$58.86 million and not more than approximately HK\$59.21 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$56.36 million but not more than approximately HK\$56.71 million.

The Board intends to apply such proceeds from the Open Offer for existing and potential mobile telecommunications related businesses, if appropriate, the property development projects in China after acquiring Best Team International Investment Limited and payment of the cash consideration for the proposed acquisition of 70% equity interests in 央廣迅龍(北京)通訊科技有限公司 (Yangguang Xunlong (Beijing) Communication Technology Company Limited#) under the non-legally binding memorandum of understanding dated 28 February 2011 entered into between a wholly owned subsidiary of the Company and an Independent Third Party. The details of the proposed acquisition of Best Team International Investment Limited and the proposed acquisition of 70% equity interests in 央廣迅龍(北京)通訊科技有限公司(Yangguang Xunlong (Beijing) Communication Technology Company Limited#) were set out in the announcements of the Company dated 15 February 2011 and 28 February 2011 respectively. The Group will apply the remaining proceeds for general working capital.

The estimated expenses in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and costs of each of the alternatives, the Open Offer allows the Group to strengthen its capital base without facing the increasing interest rates. Taking into the account that the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so, the Directors (including the independent non-executive Directors) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

EXPECTED TIMETABLE OF THE OPEN OFFER

2011

Despatch of circular with notice of EGM	26 April
Last day of dealing in Shares on a cum-entitlement basis	3 May
First day of dealing in Shares on an ex-entitlement basis	4 May
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30 p.m. on 5 May
Register of members of the Company closes (both dates inclusive)	6 May to 13 May
Record Date	13 May
EGM	13 May
Announcement of the result of EGM.	13 May
Register of members for the Shares reopens	16 May
Despatch of Prospectus Documents.	18 May
Latest time for acceptance of and payment for Offer Shares	4:00 p.m. on 1 June
Latest time for the Open Offer to become unconditional.	4:00 p.m. on 7 June
Announcement of the results of the Open Offer	13 June
If the Open Offer is terminated, refund cheques to be despatched on or before	14 June
Share certificates for Offer Shares to be posted.	14 June
Dealings in Offer Shares commences	16 June

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

Adjustments to Options

As at the date of this announcement, the Company has 3,580,000 outstanding Options entitling the holders thereof to subscribe for 3,580,000 Shares. Adjustments to the exercise prices and numbers of the outstanding Options may be required under the relevant terms of the instrument in relation to the Options or the share option scheme of the Company. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Options. Further announcement will be made by the Company in this regard.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
4 November 2010	Placing of up to 90,000,000 new Shares	HK\$17.5 million	General working capital	General working capital

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structures of the Company immediately before and after the completion of the Open Offer are set out below (assuming that no Shares will be issued and allotted as a result of the exercise of the rights attaching to the outstanding Options on or before the Record Date):

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders except for China Oil take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up his/her/its entitlements under the Open Offer)	
	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>
Directors						
Dr. Chan Chung (Note 1)	19,224,452	3.27%	19,224,452	1.63%	38,448,904	3.27%
Mr. Chan Wai Kwong, Peter (Note 1)	108,036	0.02%	108,036	0.01%	216,072	0.02%
Substantial Shareholders						
China Oil	177,785,861	30.21%	355,571,722	30.21%	355,571,722	30.21%
Vodatel Information Limited (Note 2)	77,709,696	13.20%	77,709,696	6.60%	155,419,392	13.20%
Ever Champion Trading Limited (Note 3)	48,776,000	8.29%	48,776,000	4.14%	97,552,000	8.29%
Public Shareholders						
Underwriter (Note 4)	–	–	410,781,567	34.90%	–	–
Other public Shareholders	264,963,383	45.01%	264,963,383	22.51%	529,926,766	45.01%
Total	588,567,428	100.00%	1,177,134,856	100.00%	1,177,134,856	100.00%

Notes:

1. Dr. Chan Chung and Mr. Chan Wai Kwong, Peter are executive Directors.
2. 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 Networks Holdings Limited (“Vodatel”). Vodatel is a company incorporated in Bermuda whose shares are listed on GEM (Stock code: 8033).
3. Ever Champion Trading Limited is an investment holding company incorporated in the British Virgin Islands, the ultimate beneficial owner of which is Ms. Lo Yuk Yee.
4. The Underwriter (for itself and on behalf of the sub-underwriter(s)) has undertaken to the Company that: (i) the Underwriter and/or the sub-underwriter(s) will not trigger a mandatory offer obligation under Rule 26 of the Hong Kong Code on Takeovers and Mergers on the part of the Underwriter and/or the sub-underwriter(s) in respect of performing its/their obligations under the Underwriting Agreement; and (ii) none of the Underwriter, the subunderwriter and the subscribers procured by them will be a substantial Shareholder holding 10% or more shareholding in the Company.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors, including the results of acceptance of the Open Offer.

The Company will take all appropriate steps to ensure that sufficient public float be maintained prior to the completion of the Open Offer in compliance with Rule 11.23(7) of the GEM Listing Rules.

GEM LISTING RULE IMPLICATIONS

As the Open Offer will increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Open Offer is subject to approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of Rules 10.39, 10.39A and 10.39B of the GEM Listing Rules. China Oil, being the controlling Shareholder, and its associates shall abstain from voting in respect of the 177,785,861 Shares held by them, representing approximately 30.21% of the issued share capital of the Company as at the date of this announcement, in favour of the resolution relating to the Open Offer.

GENERAL

An independent board committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and whether the Open Offer are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, an independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other things, details of the Open Offer, the recommendation from the Independent Board Committee, the advice of the independent financial adviser on the Open Offer and a notice convening the EGM, will be despatched to the Shareholders on or before 26 April 2011.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“China Oil”	China Oil Resources Group Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is wholly and beneficially owned by PetroAsian
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Mobile Telecom Network (Holdings) Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Convertible Bonds”	the convertible bonds to be issued by the Company to Mr. Poon Sum and Mr. Poon Sau Tin in the principal amount of HK\$33,000,000 at an initial conversion price of HK\$0.242 per conversion Share (subject to adjustment(s)) pursuant to the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Director’s Option”	The option granted to a former Director to subscribe for 3,000,000 Shares in the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Last Trading Day”	4 April 2011, being the last trading day for the Shares before the release of this announcement
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Offer Share(s)”	not less than 588,567,428 new Shares and not more than 592,147,428 new Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of one Offer Share for every Share held on the Record Date and payable in full on acceptance pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of Open Offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein
“Options”	together the Director’s Option and Share Options
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PetroAsian”	PetroAsian Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange, the holding company of China Oil
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the application form for the Offer Shares

“Prospectus Posting Date”	18 May 2011 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	13 May 2011, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the registrar of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 15 February 2011 and entered into among the Company, as the purchaser and Mr. Poon Sum and Mr. Poon Sau Tin, as the vendors in relation to the sale and purchase of the shares of Best Team International Investment Limited, the details of which were disclosed in the announcement dated 15 February 2011 of the Company.
“Share(s)”	ordinary share(s) of US\$0.01 each in issued share capital of the Company
“Share Options”	the share options granted or to be granted under the share option schemes adopted by the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.1 per Offer Share under the Open Offer
“Undertaking”	the irrevocable undertaking given by PetroAsian in favour of the Company and the Underwriter, details of which are set out in the paragraph headed “Undertaking given by PetroAsian” in this announcement
“Underwriting Agreement”	the underwriting agreement dated 4 April 2011 entered into between the Company, the Underwriter and PetroAsian in relation to the Open Offer
“Underwriter”	Ever-Long Securities Company Limited, a licensed corporation to carry out types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance in Hong Kong

“Warrants”	the warrants to be issued by the Company to Mr. Poon Sum and Mr. Poon Sau Tin in the principal amount of HK\$2,000,000 at an initial exercise price of HK\$0.222 per warrant Share (subject to adjustment(s)) pursuant to the terms and conditions of the Sale and Purchase Agreement
“Warrant Shares”	Shares to be allotted and issued upon exercise of the subscription rights under the Warrants
“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.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the approximate exchange rate of US\$1.00 to HK\$7.80. This exchange rate is adopted for the purpose of illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

By Order of the Board
Mobile Telecom Network (Holdings) Limited
Mr. Li Siu Bun
Company Secretary

Hong Kong, 4 April 2011

As at the date of this announcement, the Board comprises four executive Directors, namely, Dr. Chan Chung (Chairman), Mr. Chan Wai Kwong, Peter, Mr. Siu King Nin, Peter and Mr. Choi Ho Yan; 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 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 seven days from the day of its publication and on the Company’s website at www.mtelnet.com.