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**潤 迅 通 信 國 際 有 限 公 司\***

**China Motion Telecom International Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 989)**

**PROPOSED ISSUE OF UNLISTED WARRANTS  
AND  
RESUMPTION OF TRADING**

**Financial adviser to China Motion Telecom International Limited**



**Optima Capital Limited**

**Subscription of Warrants**

The Company entered into the Subscription Agreement with the Subscriber on 10 January 2008 after trading hour, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for the Warrants. The Warrants entitle the holder thereof the rights to subscribe for up to 460,000,000 New Shares (representing 19.57 % of the existing issued share capital of the Company) at the Subscription Price of HK\$0.345 per New Share at any time during a period of 24 months commencing from the date of issue of the Warrants. The New Shares will be issued under the General Mandate.

The consideration payable for the issue of Warrants is HK\$1,000,000 which will be used as general working capital of the Company.

Assuming the Subscription Rights attaching to the Warrants are fully exercised by the Subscriber at the initial Subscription Price of HK\$0.345 per New Share, an additional amount of HK\$158,700,000 will be raised. The proceeds will be utilised by the Group for its general working capital and/or to fund its future development. As at the date of this announcement, the Company does not have any specific development or investment plans.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon exercise of the Subscription Rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

## **Resumption of trading**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 am on 11 January 2008. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 am on 15 January 2008.

## **The Subscription Agreement**

**Date: 10 January 2008**

**Parties:** (i) Issuer: the Company  
(ii) Subscriber: Oncentury Limited

The Subscriber is an investment holding company. The sole beneficial owner of the Subscriber is Mr. Ding Lu. Mr. Ding has extensive experience in the telecommunications services and property investment industries of PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its beneficial owner are third parties independent of the Company and its connected persons.

The total consideration payable for the issue of the Warrants is HK\$1,000,000 payable in cash on Completion.

The Subscription Agreement was entered into after trading hour on 10 January 2008.

## **Terms of the Warrants**

460,000,000 units of Warrants are proposed to be issued. The Warrants constituted by the Instrument will be issued to the Subscriber upon Completion in registered form. The Warrants will rank pari passu in all respects among themselves. Each Warrant carries the rights to subscribe for one New Share at the Subscription Price of HK\$0.345 per New Share (subject to adjustment) at any time during a period of 24 months commencing from the date of issue of the Warrants. Upon full exercise of the Subscription Rights attaching to the Warrants, a total of 460,000,000 New Shares will be issued, representing (i) approximately 19.57% of the issued share capital of the company as at the date of this announcement; and (ii) approximately 16.37% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares upon the full exercise of the Subscription Rights attaching to the Warrants.

The New Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the date of issue.

Pursuant to Rule 15.02(1) of the Listing Rules, the New Shares falling to be issued upon exercise in full of the Subscription Rights attaching to the Warrants shall not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued equity capital of the Company at the time the Warrants are issued. As the Company has no outstanding options, warrants and other securities convertible into Shares or any other share derivatives, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

### **The Subscription Price**

The Subscription Price is HK\$0.345 per New Share, subject to adjustment based on the prescribed formulas as set out in the Instrument upon the happening of the following normal adjustment events:

- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or contributed surplus account of the Company);
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders or a grant by the Company to Shareholders of rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price of the Shares (market price as defined in the Instrument) being made by the Company to the Shareholders;
- (v) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if the total effective consideration per new Share initially receivable for such securities is less than 90% of the market price of the Shares (market price as defined in the Instrument) or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective

consideration is less than 90% of the market price of the Shares (market price as defined in the Instrument);

- (vi) an issue of Shares (other than Shares issued pursuant to any share option scheme) being made wholly for cash at a price less than 90% of the market price of the Shares (market price as defined in the Instrument); and
- (vii) a purchase being made by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any recognised stock exchange) and where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price and an approved merchant bank being appointed and such approved merchant bank considers that it is appropriate to make an adjustment to the Subscription Price.

The initial Subscription Price represents (i) a discount of approximately 4.17% to the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on 10 January 2008, being the last trading day immediately prior to the entering into of the Subscription Agreement; (ii) a discount of approximately 1.43% to the average of the closing prices of approximately HK\$0.35 per Share as quoted on the Stock Exchange for the last five trading days up to and including 10 January 2008; (iii) the same value as the average of the closing prices of approximately HK\$0.345 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 10 January 2008; and (iv) a premium of approximately 392.86% over the audited net asset value per Share attributable to the Shareholders of approximately HK\$0.07 as at 31 March 2007.

The Subscription Price is determined after arm's length negotiations between the Company and the Subscriber. The Directors consider that the terms of the Warrants are fair and reasonable and the issue of the Warrants is in the interests of the Company and the Shareholders as a whole.

### **Condition of the Subscription**

Completion shall be subject to and conditional upon the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon the exercise of the Subscription Rights attaching to the Warrants.

If the above condition is not fulfilled on or before 31 January 2008 (or such later date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

## **Completion**

Completion will take place on the second business day after the fulfillment of the condition referred to in the section headed “Condition of the Subscription” in this announcement above or such other date as agreed by the Company and the Subscriber in writing.

## **Rights for the holders of the Warrants**

Holders of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants.

## **Mandate to issue the New Shares**

The New Shares to be allotted and issued upon the exercise in full of the Subscription Rights attaching to the Warrants will be allotted and issued under the General Mandate. The General Mandate was granted to the Directors pursuant to an ordinary resolution of the Company passed at its annual general meeting on 17 August 2007 to allot and issue up to 470,095,114 new Shares, representing 20% of the issued share capital of the Company in issue on that date.

Assuming the Subscription Rights attaching to the Warrants are exercised in full, a total of 460,000,000 New Shares will be allotted and issued. The General Mandate has not been previously utilised prior to the Subscription Agreement.

## **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 New Shares which may fall to be allotted and issued upon exercise of the Subscription Rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

## **Reasons for the issue of Warrants**

The principal business of the Company is investment holding. The subsidiaries of the Company are principally engaged in international telecommunications services, mobile communications services and distribution and retail chain, and property investment and holding.

The Directors are of the view that the issue of Warrants would enable the Company to raise further capital. It also creates business opportunity with Mr. Ding based on his business network and telecommunications and property investment experience in the PRC. Based on the initial Subscription Price of HK\$0.345 per New Share, a maximum of approximately

HK\$158,700,000 will be raised if the Subscription Rights attaching to the Warrants are fully exercised.

### Use of proceeds

The consideration payable for the issue of Warrants is HK\$1,000,000 which will be used as general working capital of the Company.

Assuming the Subscription Rights attaching to the Warrants are fully exercised by the Subscriber at the initial Subscription Price of HK\$0.345 per New Share, an additional amount of HK\$158,700,000 will be raised. The proceeds will be utilised by the Group for its general working capital and/or to fund its future development. As at the date of this announcement, the Company does not have any specific development or investment plans. The Company will make further announcement when its plan for the use of proceeds is determined.

### Fund raising during the past twelve months

There has been no capital fund raised by the Company during the past twelve months from the date of the Subscription Agreement.

### Changes of Shareholding Structure

As at the date of this announcement, the Company has 2,350,475,573 Shares in issue. The shareholding structure of the Company before and after the full exercise of the Subscription Rights attaching to the Warrants would be as follows:

	As at the date of this announcement		Immediately after the exercise in full of the Subscription Rights attaching to the Warrants	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Marvel Bonus (Note)	1,555,000,000	66.16%	1,555,000,000	55.33%
Subscriber	-	-	460,000,000	16.37%
Public shareholders	795,475,573	33.84%	795,475,573	28.30%
Total	2,350,475,573	100.00%	2,810,475,573	100.00%

Note:

The entire issued share capital of Marvel Bonus is owned as to 50% by Integrated Asset Management (Asia) Limited and as to the remaining 50% by Shanghai Assets (BVI) Limited which is in turn wholly and beneficially owned by Mr. Ting Pang Wan, Raymond, the Chairman of the Company. Integrated Asset Management (Asia) Limited is wholly and beneficially owned by Mr. Yam Tak Cheung.

## **Resumption of Trading**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 am on 11 January 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 am on 15 January 2008.

## **DEFINITIONS**

Capitalised terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them as below:

“Board”	the board of Directors
“business day”	means a day (other than a Saturday, Sunday or any other public holiday) on which banks in Hong Kong are generally open for clearing and settlement business
“Company”	China Motion Telecom International Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreement in accordance with the terms and conditions thereof
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to exercise the power of the Company to allot, issue and deal with securities of up to 470,095,114 new Shares, representing 20% of the Company’s issued share capital as at the date of the annual general meeting of the Company held on 17 August 2007
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the deed poll constituting the Warrants to be executed by the Company on Completion

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marvel Bonus”	Marvel Bonus Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Mr. Ding”	Mr. Ding Lu, the sole shareholder of the Subscriber
“New Shares”	the new Shares which may fall to be allotted and issued upon the exercise of the Subscription rights attaching to the Warrants
“PRC”	the Peoples’ Republic of China
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Oncentury Limited, a company incorporated in British Virgin Islands with limited liability
“Subscription Agreement”	the conditional subscription agreement dated 10 January 2008 and entered into between the Company and the Subscriber in respect of the Warrants
“Subscription Price”	the subscription price of HK\$0.345 per New Share (subject to adjustment) at which holder(s) of the Warrant(s) may subscribe for the New Shares
“Subscription Rights”	the rights of the holders of the Warrants to subscribe for up to an aggregate of 460,000,000 New Shares at the Subscription Price
“Warrants”	the non-listed warrants to be issued by the Company pursuant to the Subscription Agreement, each entitles the holder thereof to subscribe for one New Share at the Subscription Price (subject to adjustment) at any time during a period of 24 months commencing from the date of issue of the Warrants



“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board  
**CHINA MOTION TELECOM INTERNATIONAL LIMITED**  
**TING Pang Wan, Raymond**  
*Chairman*

Hong Kong, 14 January 2008

*\* For identification purpose only*

*As at the date of this announcement, Mr. TING Pang Wan, Raymond, Mr. WU Chi Chiu and Ms. FAN Wei are the executive Directors; and Mr. LO Chi Ho, William, Mr. HUANG An Guo and Ms. WONG Fei Tat are the independent non-executive Directors.*