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Centron Telecom International Holding Limited

星辰通信国际控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1155)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE PROPOSED RESTRUCTURING OF THE COMPANY**

This announcement is made by Centron Telecom International Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

THE MEMORANDUM OF UNDERSTANDING

The board (“**Board**”) of directors (“**Directors**”) of the Company announces that on 2 May 2018, the Company and Shine Wonders Limited (the “**Investor**”) have entered into a non-legally memorandum of understanding (the “**MOU**”) in relation to the proposed restructuring of the finances of the Group (the “**Proposed Restructuring**”). The Investor is a company incorporated in the British Virgin Islands with limited liability and is ultimately and beneficially owned as to 65% by Mr. Lau Ching Kei (through Romp Victory Limited) and 35% by Mr. Kuok Hoi Sang (through Harbour Riches Limited). To the best knowledge, information and belief of the Directors, the Investor and its beneficial owner are not connected persons of the Company as defined under the Listing Rules.

Pursuant to the MOU,

- The Company grants the Investor an exclusivity period of twelve months from the date of the MOU (the “**Exclusivity Period**”).

- During the Exclusivity Period, the Company and the Investor will formulate a proposal (the “**Resumption Proposal**”) for the resumption of trading of the Shares on The Hong Kong Stock Exchange Limited (the “**Stock Exchange**”) for submission to the Stock Exchange for approval and to the extent practicable, to prepare and enter into the documents (the “**Restructuring Documents**”) necessary to implement the Resumption Proposal and the Proposed Restructuring.
- Subject to the due diligence review of the affairs of the Group by the Investor and negotiations between the parties, the Proposed Restructuring may include:
 - (a) The Investor will subscribe at a consideration of HK\$270 million for such number of shares of the Company (“**Subscription Shares**”) so that upon completion of the subscription, the Subscription Shares will represent approximately 90% of the issued share capital of the Company as enlarged by the Subscription Shares (the “**Subscription**”).
 - (b) The Company will undertake to enter into creditors scheme of arrangements in Hong Kong and Cayman Islands (“**Creditors Schemes**”) with its creditors. Part of the proceeds from the Subscription in the amount of HK\$220 million and the Investor will procure the transfer of such number of Subscription Shares as representing 10% of the issued share capital of the Company as enlarged by the Subscription Shares to be transferred to the administrator of the Creditors Schemes or as entity as directed by them, will be applied to settle the liabilities of the Company pursuant to the terms of the Creditors Schemes.
 - (c) The Investor will provide an interest-bearing facility at London Inter-Bank Offered Rate to the Company in the amount of not more than HK\$50 million pending completion of the Subscription. The loans drawn from the facility (“**Loans**”) shall only be applied to settle professional fees and expenses incurred and/or to be incurred for the preparation of the Resumption Proposal and the Proposed Restructuring of the Company. Upon completion of the Subscription, Loans utilized by the Company will be counted towards as part of the subscription monies payable by the Investor. In the event, the Subscription does not proceed for whatsoever reason, the Investor agrees to waive the Loans outstanding as at the date of the termination of the Subscription and the Company will not be liable for such Loans.

Further announcement(s) will be made by the Company in relation to the Resumption Proposal and the Proposed Restructuring as and when appropriate.

SUSPENSION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 3 April 2018. Trading in the Shares will continue to suspend until further notice and full satisfaction of the Resumption Conditions and such other further conditions that may be imposed by the Stock Exchange.

By Order of the Board
Centron Telecom International Holdings Limited
Dai Guoliang
Chairman

Hong Kong, 4 May 2018

As at the date of this announcement, the Board comprises Mr. Dai Guoliang as executive Director, Mr. Wong Tang Thomas as non-executive Director and Mr. Chung Wai Man, Mr. Lam Tin Faat and Mr. Xiao Zufa as independent non-executive Directors.