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Oriental Base Limited

(Incorporated in the British Virgin Islands with limited liability)



潤迅通信國際有限公司*

China Motion Telecom International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00989)

JOINT ANNOUNCEMENT

**(1) Acquisition of shares in China Motion Telecom International Limited
by Oriental Base Limited and**

(2) Mandatory conditional cash offers by

 **Baron Capital Limited**

on behalf of

Oriental Base Limited

for all the issued shares

and to cancel all outstanding share options of

China Motion Telecom International Limited

**(other than those shares already owned by Oriental Base Limited
and parties acting in concert with it)**

Financial Adviser to Oriental Base Limited

 **Baron Capital Limited**

Independent Financial Adviser to the Independent Board Committee



博大資本國際有限公司

Partners Capital International Limited

On 23 December 2005, Oriental entered into the Sale and Purchase Agreement with the Vendor, pursuant to which Oriental agreed to purchase and the Vendor agreed to sell 216,198,000 Shares for a cash consideration of HK\$15 million (equivalent to approximately HK\$0.0694 per Share). The Sale Shares represent approximately 41.14% of the issued share capital of China Motion Telecom as at the date of this announcement.

Completion took place on 23 December 2005. As a result of the Completion, Oriental and parties acting in concert with it own in aggregate 216,198,000 Shares, representing approximately 41.14% of the issued share capital of China Motion Telecom as at the date of this announcement. Oriental is required under Rule 26.1 and Rule 13 of the Takeovers Code to make mandatory conditional cash offers for all the issued Shares and all the outstanding Options not already owned by Oriental and parties acting in concert with it respectively. The principal terms of the Offers are set out under the section headed "Mandatory conditional cash offers" below.

The Offers will be conditional upon Oriental having received valid acceptances of the Share Offer in respect of Shares which, together with the Shares already owned by Oriental and parties acting in concert with it before or during the offer period of the Offers, will result in Oriental and parties acting in concert with it holding more than 50% of the voting rights of China Motion Telecom. If Oriental does not receive valid acceptances of the Share Offer in respect of Shares which, together with the Shares already owned by Oriental and parties acting in concert with it before or during the offer period of the Offers, will result in Oriental and parties acting in concert with it holding more than 50% of the voting rights of China Motion Telecom, the Offers cannot become unconditional and will lapse forthwith.

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this announcement or such later date as the Executive may approve, Oriental is required to despatch the offer document containing the terms of the Offers, the form of acceptance and transfer of the Shares to the Shareholders as well as the form of acceptance of the outstanding Options to the Optionholders. China Motion Telecom is required to send the offeree document in relation to the Offers to the Shareholders and the Optionholders within 14 days of the posting of the offer document in accordance with the Takeovers Code. However, it is the intention of China Motion Telecom that the offeree document will be combined with the offer document and a composite offer document will be despatched to the Shareholders and Optionholders within 21 days after this announcement or such later date as the Executive may approve. China Motion Telecom has established an Independent Board Committee comprising of a non-executive Director and all independent non-executive Directors to advise the Independent Shareholders and the Independent Optionholders. The Independent Board Committee has approved the appointment of Partners Capital International Limited as the independent financial adviser to advise the Independent Board Committee in respect of the Offers.

At the request of China Motion Telecom, trading in the Shares on the Stock Exchange and the Singapore Exchange was suspended with effect from 2:30 p.m. and 3:30 p.m. on 23 December 2005 respectively pending the release of this announcement. Application has been made by China Motion Telecom for the resumption of trading in the Shares on both the Stock Exchange and the Singapore Exchange with effect from 9:30 a.m. and 9:00 a.m. respectively on 13 January 2006.

THE SALE AND PURCHASE AGREEMENT

- Date: 23 December 2005
- Vendor: Goldtop Holdings Limited, a company wholly and beneficially owned by Mr. Hau and Ms. Ting Yat Shuk as to 82% and 18% respectively.
- Purchaser: Oriental, which is independent of and not connected with China Motion Telecom, the Directors, chief executive or substantial Shareholders and the Vendor or any of their respective subsidiaries, or an associate of any of them. As at the date of this announcement, Oriental is not acting in concert with any Shareholders as defined in the Takeovers Code.
- Guarantor: Mr. Hau

Sale Shares

216,198,000 Shares, representing approximately 41.14% of the issued share capital of China Motion Telecom as at the date of this announcement. The Sale Shares acquired by Oriental are free from all claims, charges, liens, encumbrances, equities and other third parties rights and were the entire equity interests previously held by the Vendor and parties acting in concert with it in China Motion Telecom as at the date of the Sale and Purchase Agreement.

Consideration

HK\$15 million in cash (equivalent to approximately HK\$0.0694 per Share), which was negotiated and determined on arm's length basis.

The purchase price of HK\$0.0694 per Share represents

- (i) a discount of approximately 39.65% to the closing price of HK\$0.1150 per Share as quoted on the Stock Exchange on 23 December 2005, being the Last Trading Day;
- (ii) a discount of approximately 52.14% to the closing price of HK\$0.1450 per Share as quoted on the Stock Exchange on 22 December 2005, being the last full trading day prior to the Last Trading Day;
- (iii) a discount of approximately 50.92% to the average closing price of approximately HK\$0.1414 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days prior to the Last Trading Day;
- (iv) a discount of approximately 53.30% to the average closing price of approximately HK\$0.1486 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to the Last Trading Day;
- (v) a discount of approximately 85.17% to the audited net asset value per Share of approximately HK\$0.468 based on the audited consolidated financial statements of the Group as at 31 March 2005 with net assets of HK\$245,868,000 (based on 525,475,573 Shares in issue as at the date of this announcement); and
- (vi) a discount of approximately 66.95% to the unaudited consolidated net asset value per Share of approximately HK\$0.21 as at 30 September 2005 based on the unaudited interim report of the Group with net assets of HK\$109,843,000 (based on 525,475,573 Shares in issue as at the date of this announcement).

Completion of the Sale and Purchase Agreement

Completion took place on 23 December 2005. The Consideration was paid in cash by Oriental to the Vendor.

SHAREHOLDING STRUCTURE OF CHINA MOTION TELECOM

The following table sets out the shareholding structure of China Motion Telecom immediately before and after Completion:

	Before Completion		After Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendor	216,198,000	41.14	–	–
Oriental and parties acting in concert	–	–	216,198,000	41.14
Mr. Shui	250,000	0.05	250,000	0.05
Midsino International Limited (<i>Note</i>)	54,049,500	10.29	54,049,500	10.29
Public	254,978,073	48.52	254,978,073	48.52
Total	<u>525,475,573</u>	<u>100.00</u>	<u>525,475,573</u>	<u>100.00</u>

Note: A substantial Shareholder as defined under the Listing Rules, a company of which beneficially owned as to 50% by Mr. Yang Jun and as to 50% by his spouse, Madam Ma Lin.

Save for the disposal of Sale Shares pursuant to the Sale and Purchase Agreement, the Vendor and parties acting in concert with it have not dealt in the securities of China Motion Telecom in the past 6 months prior to the date of the Sale and Purchase Agreement and from the date of the Sale and Purchase Agreement up to the date of this announcement.

Mr. Hau has confirmed it is his intention to accept the Option Offer for all his 2,000,000 Options. Mr. Shui has confirmed it is his intention to accept the Option Offer for all his 2,811,069 Options and he has not decided whether to accept or reject the Share Offer for all his 250,000 Shares as at the date of this announcement.

MANDATORY CONDITIONAL CASH OFFERS

Immediately following the Completion, Oriental has become interested in 216,198,000 Shares, representing approximately 41.14% of the issued share capital of China Motion Telecom as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, Oriental is required to make a mandatory conditional cash offer for all the issued Shares other than those Shares already owned by it and parties acting in concert with it. Under Rule 13 of the Takeovers Code, Oriental is also required to make a comparable offer for all the outstanding Options.

As at the date of this announcement, China Motion Telecom has 18,926,846 outstanding Options entitling the Optionholders to subscribe for an aggregate of 18,926,846 Shares. The Options were granted with an exercise price ranging from HK\$0.75 per Share to HK\$3.19 per Share. The price of the Option Offer represents a nominal amount offered by Oriental for the Options.

Save for the outstanding Options disclosed above, there are no outstanding warrants, options or securities convertible into Shares as at the date of this announcement.

Principal terms of the Offers

Baron Capital, on behalf of Oriental, will make mandatory conditional cash offers for all the issued Shares (other than those already owned by Oriental and/or parties acting in concert with it) and all the outstanding Options solely in cash on the following basis:

The Share Offer

For each Share HK\$0.0694 in cash

The Option Offer

For each outstanding Option nominal value of HK\$0.0001 in cash

Oriental is required under the Takeovers Code to make a comparable offer for all the outstanding Options as part of the Offers. Oriental offers to pay the Optionholders in cash on the basis set out above in respect of every Option in consideration of the surrender by the Optionholders of all their rights in respect of such Option. However, as at the date of this announcement, the Independent Optionholders have not given any undertakings to accept or not to accept the Option Offer.

Comparison of value

The offer price of HK\$0.0694 per Share for the Share Offer is the same as the price paid by Oriental to the Vendor for each Sale Share under the Sale and Purchase Agreement. The offer price of HK\$0.0694 represents:

- (a) a discount of approximately 39.65% to the closing price of HK\$0.1150 per Share as quoted on the Stock Exchange on 23 December 2005, being the Last Trading Day;
- (b) a discount of approximately 52.14% to the closing price of HK\$0.1450 per Share as quoted on the Stock Exchange on 22 December 2005, being the last full trading day prior to the Last Trading Day;
- (c) a discount of approximately 50.92% to the average closing price of approximately HK\$0.1414 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days prior to the Last Trading Day;
- (d) a discount of approximately 53.30% to the average closing price of approximately HK\$0.1486 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to the Last Trading Day;
- (e) a discount of approximately 85.17% to the audited net asset value per Share of approximately HK\$0.468 based on the audited consolidated financial statements of the Group as at 31 March 2005 with net assets of HK\$245,868,000 (based on 525,475,573 Shares in issue as at the date of this announcement); and
- (f) a discount of approximately 66.95% to the unaudited consolidated net asset value per Share of approximately HK\$0.21 as at 30 September 2005 based on the unaudited interim report of the Group with net assets of HK\$109,843,000 (based on 525,475,573 Shares in issue as at the date of this announcement).

The highest and lowest prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day were HK\$0.248 per Share recorded on 3 October 2005 and 4 October 2005 and HK\$0.132 per Share recorded on 15 August 2005 respectively.

The range of closing prices of the Shares as quoted on the Singapore Exchange during the six-month period immediately preceding the Last Trading Day were from SG\$0.030 to SG\$0.050 per Share.

Total consideration

As at the date of this announcement, there are 525,475,573 Shares in issue (of which 216,198,000 Shares are owned by Oriental and parties acting in concert with it) and 18,926,846 outstanding Options. Assuming that there will not be any change in the issued share capital of China Motion Telecom, on the basis of the offer price of HK\$0.0694 per Share, the entire issued share capital of China Motion Telecom is valued at HK\$36,468,005 under the Share Offer and the Shares subject to the Share Offer are valued at HK\$21,463,864. On the basis of HK\$0.0001 per Option and assuming none of the Options will be exercised, the aggregate amount payable by Oriental under the Option Offer is approximately HK\$1,893.

Financial resources

Baron Capital is satisfied that there are sufficient financial resources available to Oriental to satisfy the amount of funds required to meet the full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, Shareholders will sell their Shares to Oriental free from all liens, claims and encumbrances and with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the date of Completion. By accepting the Option Offer, the Optionholders will surrender and give up the subscription rights attaching to the Options.

Stamp duty

Seller's ad valorem duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of relevant acceptance will be deducted from the amount payable to the Shareholders who accept the Share Offer. Oriental will also pay stamp duty payable by it as purchaser of the Shares pursuant to the Share Offer.

There is no stamp duty imposed on the Optionholders in connection with their acceptance of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but within ten days of the date on which the relevant documents of title are received by Oriental to render each such acceptance complete and valid or of date on which the Offers become, or are declared, unconditional, whichever is the later.

Conditional Offers

The Offers will be conditional upon Oriental having received valid acceptances of the Share Offer in respect of Shares which, together with the Shares already owned by Oriental and parties acting in concert with it before or during the offer period of the Offers, will result in Oriental and parties acting in concert with it holding more than 50% of the voting rights of China Motion Telecom. If Oriental does not receive valid acceptances of the Share Offer in respect of Shares which, together with the Shares already owned by Oriental and parties acting in concert with it before or during the offer period of the Offers, will result in Oriental and parties acting in concert with it holding more than 50% of the voting rights of China Motion Telecom, the Offers cannot become unconditional and will lapse forthwith.

INFORMATION ON THE GROUP

China Motion Telecom was listed on the Main Board of the Stock Exchange on 20 October 1997. The Group is principally engaged in the provision of international telecommunication services, mobile communications services and distribution and retail chain.

Based on the Group's audited consolidated financial results made up to 31 March 2005, it recorded loss before tax of approximately HK\$38,576,000 and HK\$469,149,000 respectively for the two financial years ended 31 March 2005. Over the same periods, China Motion Telecom recorded loss after tax of approximately HK\$47,419,000 and HK\$471,939,000 respectively. China Motion Telecom has net assets of approximately HK\$245,868,000 as at 31 March 2005. China Motion Telecom has a market capitalisation of approximately HK\$60,429,691 based on its closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day.

Based on the Group's unaudited consolidated financial results made up to 30 September 2005, it recorded loss before tax of approximately HK\$158,712,000 for the financial period of six months ended 30 September 2005. Over the same period, China Motion Telecom recorded loss after tax of approximately HK\$159,544,000 with net assets of approximately HK\$109,843,000 as at 30 September 2005.

INFORMATION ON ORIENTAL AND ITS INTENTION REGARDING CHINA MOTION TELECOM

Oriental is an investment holding company incorporated in the British Virgin Islands on 28 November 2005 and is wholly and beneficially owned by Mr. Wu. Mr. Wu is also the sole director of Oriental. Save for the entering into of the Sale and Purchase Agreement, Oriental has not conducted any business since its incorporation and does not have any material assets except the holding of 41.14% of the entire issued share capital of China Motion Telecom. Details of Mr. Wu are set out under the paragraph headed "Proposed Change of Board Composition of China Motion Telecom" below.

Before the date of the Sale and Purchase Agreement, neither Oriental, its ultimate beneficial owner nor the parties acting in concert with any of them owned any Shares in China Motion Telecom. Save for the entering into of the Sale and Purchase Agreement, none of Oriental, its beneficial owner and parties acting in concert with any of them has dealt in any Shares or any options, warrants or securities convertible into Shares during the period commencing on the date falling six months prior to the date of the Sale and Purchase Agreement and up to the date of this announcement.

Following the close of the Offers, Oriental intends to continue the existing businesses of the Group. In view of the extensive losses of the Group for the year ended 31 March 2005 and the six months ended 30 September 2005, Oriental intended to conduct a review of the financial position, operations and assets of the Group and would then formulate a business strategy to strengthen the financial position of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, Oriental may consider diversifying the business of the Group with an objective to broaden its income source and revenue basis. However, no such investment or business opportunities have been identified at this stage.

Oriental has no intention to re-deploy the employees or to dispose of or re-deploy the assets of the Group other than in its ordinary course of business and has no intention to inject any assets or businesses into China Motion Telecom as at the date of this announcement.

PROPOSED CHANGE OF BOARD COMPOSITION OF CHINA MOTION TELECOM

It is expected that save for Mr. Hau, all existing executive and non-executive Directors of China Motion Telecom will resign as Directors and such resignation will take effect at the earliest time permitted under the Takeovers Code. In addition, Oriental proposes to nominate Mr. Wu, Mr. Jeffrey Wang and Ms. Fan Wei to be appointed as executive Directors, and Ms. Wong Fei Tat, Mr. Lo Chi Ho, William and Mr. Huang An Guo to be appointed as independent non-executive Directors and it is expected that such appointment will be effective immediately after the date of posting of the composite offer document subject to compliance with the Takeovers Code.

Set out below are the brief biographies of Mr. Wu, Mr. Jeffrey Wang, Ms. Fan Wei, Ms. Wong Fei Tat, Mr. Lo Chi Ho, William and Mr. Huang An Guo, the proposed executive and independent non-executive Directors to be nominated by Oriental:

Executive Directors

Mr. Wu, aged 42, holds a Bachelor of Science degree from the University of Toronto. Mr. Wu is an experienced investor in local property market. Mr. Wu has over 10 years of experience in the field of property investment and development in Hong Kong and securities investment in local equity market. He will be responsible for strategic planning and corporate development of the Group.

Mr. Jeffrey Wang, aged 35, has more than 8 years of experience in the field of project development, project implementation, and procurement for various power plants, industrial plants and transportation projects. Mr. Wang has several work experience in regional Asia, such as Thailand and Vietnam and used to work as Head of the Procurement Department in Electrowatt-Ekono (Thailand). His departmental activities include support for project acquisition and cost estimation, bid preparation, commercial analysis, commercial negotiation, logistics and contract management for three ongoing combined cycle power plants and several industrial plants.

Ms. Fan Wei, aged 50, has substantial years of experience in the media industry. She has been an executive director of China Chief Cable TV Group Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, since January 2005. She has also been General Manager of Sky Dragon Digital Television and Movies Limited since 2003. Prior to that, Ms. Fan had been the Deputy General Manger of ATV Enterprises Limited from 2000 to 2003 and was responsible for TV content distribution. She possesses a Master Degree in Business Administration from the Murdoch University in Australia.

Independent non-executive Directors

Ms. Wong Fei Tat, aged 30. Ms. Wong holds a bachelor degree in commerce from the University of Sydney and a postgraduate diploma in corporate administration from the Hong Kong Polytechnic University. She is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Company Secretaries and is a Certified Practising Accountant of the Australian Society of Certified Practising Accountants. She has over 10 years of experience in the accounting field.

Mr. Lo Chi Ho, William, aged 39. Mr. Lo has obtained Chartered Accountant qualification in the United Kingdom and is a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Lo holds an honour Bachelor's degree in Chemical Engineering and Fuel Technology from Sheffield University in the United Kingdom. Mr. Lo has over 17 years of accounting and corporate finance experience working as senior management in international accounting firms in the United Kingdom and Hong Kong, multinational consumable goods company, international investment banks, and was a director of Skynet (International Group) Holdings Limited, a company listed on the Main Board of the Stock Exchange. Mr. Lo currently is the chief executive officer and an executive director of Sino Gas Group Limited, a company listed on the Main Board of the Stock Exchange and is also the independent non-executive director of China Spacesat Co., Ltd., a A-Share company listed on the Shanghai Stock Exchange in the PRC.

Mr. Huang An Guo, aged 52, has substantial years of experience in the advertising industry. Mr. Huang is an experienced project coordinator in the field of public relation for media business. Mr. Huang currently is a director of Shanghai Jin Li Advertising Company Limited and China Digital Broadcasting Company Limited. Mr. Huang graduated from Shanghai Fudan University.

Details of the respective terms of their appointments, including emoluments and the basis of determining the emoluments, will be announced upon their appointments.

THE LISTING STATUS OF CHINA MOTION TELECOM

Oriental intends that China Motion Telecom will remain listed on the Stock Exchange after the close of the Offers and do not intend to exercise its rights to compulsorily acquire all the Shares. The Directors and the new Directors to be appointed to the board of Directors of China Motion Telecom will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that such number of Shares as may be required by the Stock Exchange are held by the public.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the China Motion Telecom, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or**
- there are insufficient Shares in public hands to maintain an orderly market;**

it will consider exercising its discretion to suspend dealings in the Shares.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those client are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 days periods is less than HK\$1 million.

This does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

GENERAL

Offer document and response document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this announcement or such later date as the Executive may approve, Oriental is required to despatch the offer document containing the terms of the Offers, the form of acceptance and transfer of the Shares to the Shareholders as well as the form of acceptance of the outstanding Options to the Optionholders. China Motion Telecom is required to send the offeree document in relation to the Offers to the Shareholders and the Optionholders within 14 days of the posting of the offer document in accordance with the Takeovers Code. However, it is the intention of China Motion Telecom that the offeree document will be combined with the offer document and a composite offer document will be despatched to the Shareholders and Optionholders within 21 days after this announcement or such later date as the Executive may approve. China Motion Telecom has established an Independent Board Committee comprising of a non-executive Director and all independent non-executive Directors to advise the Independent Shareholders and the Independent Optionholders. The Independent Board Committee has approved the appointment of Partners Capital International Limited as the independent financial adviser to advise the Independent Board Committee in respect of the Offers.

Suspension and resumption of trading in Shares

Trading in the Shares on the Stock Exchange and the Singapore Exchange was suspended with effect from 2:30 p.m. and 3:30 p.m. on 23 December 2005 respectively at the request of China Motion Telecom pending the release of this announcement. Application has been made by China Motion Telecom for the resumption of trading in the Shares on the Stock Exchange and the Singapore Exchange with effect from 9:30 a.m. and 9:00 a.m. respectively on 13 January 2006.

DIRECTORS OF CHINA MOTION TELECOM

As at the date of this announcement, the Board comprises Mr. Hau Tung Ying and Mr. Shui Ming Hua as executive Directors, Mr. Li Yi Sheng as non-executive Director and Mr. Yip Sam Lo, Dr. Ho Chung Tai, Raymond and Mr. Pang Tsun Loy, Michael as independent non-executive Directors.

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meanings ascribed thereto in the Takeovers Code
“associates”	has the meaning ascribed thereto in the Listing Rules
“Baron Capital”	Baron Capital Limited, which is a licensed corporation to conduct types 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the SFO
“China Motion Telecom” or “Company”	China Motion Telecom International Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange and with secondary listing on the Singapore Exchange
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms
“Consideration”	HK\$15 million payable for the Sale Shares under the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	China Motion Telecom and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the board of Directors comprising Mr. Li Yi Sheng, being non-executive Director and Mr. Yip Sam Lo, Dr. Ho Chung Tai, Raymond and Mr. Pang Tsun Loy, Michael, all being independent non-executive Directors, established for the purpose of advising the Independent Shareholders and Independent Optionholders in relation to the Offers
“Independent Optionsholders”	the Optionholders other than Mr. Hau and Mr. Shui
“Independent Shareholders”	shareholders of the Company excluding Oriental and parties acting in concert with it

“Last Trading Day”	23 December 2005, being the last trading day of the Shares immediately before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hau”	Mr. Hau Tung Ying, the chairman and one of the Directors of China Motion Telecom
“Mr. Shui”	Mr. Shui Ming Hua, one of the Directors of China Motion Telecom
“Mr. Wu”	Mr. Wu Chi Chiu, the ultimate beneficial owner and the sole director of Oriental
“Offers”	the Share Offer and the Option Offer
“Options”	any option to subscribe for new Shares granted under the Share Option Schemes
“Optionholders”	holders of the 18,926,846 outstanding Options
“Option Offer”	the mandatory conditional cash offer for cancellation of all outstanding Options to be made by Baron Capital on behalf of Oriental in accordance with the Takeovers Code
“Oriental “	Oriental Base Limited, an investment holding company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Wu, the ultimate beneficial owner.
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the unconditional sale and purchase agreement dated 23 December 2005 and entered into among the Vendor, Mr. Hau and Oriental in relation to the sale by the Vendor and the purchase by Oriental of the Sale Shares
“Sale Shares”	216,198,000 Shares acquired by Oriental pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.75 each in the share capital of China Motion Telecom
“Shareholder(s)”	holder(s) of the Shares
“Share Offer”	the mandatory conditional cash offer for all the issued Shares not already owned by Oriental or parties acting in concert with it at HK\$0.0694 per Share to be made by Baron Capital on behalf of Oriental in accordance with the Takeovers Code

“Share Option Schemes”	share option scheme of China Motion Telecom adopted on 18 March 1998, subsequently amended on 19 February 2000 and 2 February 2001 and terminated on 6 September 2002 and share option scheme of China Motion Telecom adopted on 6 September 2002
“Singapore Exchange”	The Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendor”	Goldtop Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“SG\$”	Singapore dollars, the lawful currency of Singapore
“%”	per cent.

Oriental Base Limited
Wu Chi Chiu
Sole Director

By order of the board of
China Motion Telecom International Limited
Hau Tung Ying
Chairman

Hong Kong, 12 January 2006

The sole director of Oriental accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Vendor, Mr. Hau and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to the Vendor, Mr. Hau and the Group) the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to Oriental) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those of or in relation to Oriental) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to Oriental) the omission of which would make any statements in this announcement misleading.

* *For identification purpose only*

“Please also refer to the published version of this announcement in The Standard”