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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)

**PRICE SENSITIVE INFORMATION – TERMINATION OF  
VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION,  
EVENT RELATING TO FORMER DIRECTORS OF THE COMPANY  
AND  
RESUMPTION OF TRADING**

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



This announcement is made pursuant to Rules 13.09(1) and 14.36 of the Listing Rules.

**Termination Deed**

After the trading hours on 4 December 2007, Termination Deed was entered into by the Company and the Vendor to terminate the Agreement (as varied and supplemented by the Supplemental Agreement). Pursuant to the Agreement, the Company had agreed to acquire and the Vendor had agreed to sell the Property Holdco Shares upon and subject to the terms and conditions mentioned therein. The termination of the Agreement took immediate effect upon execution of the Termination Deed.

The Directors confirm that they do not expect that the termination of the Agreement will have any material adverse impact on the business and operation, or financial and trading position of the Group.

**Event relating to Former Directors**

The Directors have noted from articles appeared in several newspapers on 27 November 2007 about the charges against a former chairman and a former executive director of the Company. The alleged offences took place between September 2000 and April 2005.

The Directors wish to clarify that Mr. Hau and Mr. Li had left the employment of the Company in April 2006 and December 2005 respectively. To the best of the Directors' knowledge after having made necessary enquiries, none of the members of the Group had made any payments to the Contractors since May 2005, and there has been no relationship, business or otherwise, between members of the Group and the Contractors since May 2005.

Save as disclosed herein, the Directors do not expect that the Event would have any material adverse effect on the financial and trading position of the Group.

### **Resumption of trading**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 5 December 2007 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 with effect from 9:30 a.m. on 7 December 2007.

This announcement is made pursuant to Rules 13.09(1) and 14.36 of the Listing Rules.

Reference is made to the announcement of the Company dated 19 September 2007 relating to the Agreement (the "Announcement"). Capitalised terms used have the meanings as given to them in the Announcement.

### **The Termination Deed**

On 14 August 2007, the Company and the Vendor entered into the Agreement (as amended by the Supplemental Agreement) whereby the Company had agreed to purchase, and the Vendor had agreed to sell, the Property Holdco Shares on terms and conditions mentioned therein. The principal asset held by Property Holdco is the entire issued share capital of Vietnam Company, which in turn holds the Vietnam Property. Details of the Agreement were set out in the Announcement.

After the trading hours on 4 December 2007, the Company and the Vendor entered into a deed of termination ("Termination Deed") whereby the Company and the Vendor agreed to terminate the Agreement with immediate effect so that it shall become null and void and cease to have any further effect. Both parties confirm in the Termination Deed that they have no claim whatsoever against each other under or relating to the Agreement. Each party has released and discharged the other absolutely from all covenants, undertakings, warranties and other obligations, liabilities, claims and demands whatsoever in respect of or under or otherwise arising from the Agreement.

As more particularly described below, on 26 November 2007, the Independent Commission Against Corruption (“ICAC”) issued a press release that a former chairman and a former executive director of the Company were charged by the ICAC for alleged conspiracy to defraud the Company in relation to false consultancy contracts (the “Event”). The press release of ICAC was reported on in several newspapers on 27 November 2007.

Following the press reports on the Event on 27 November 2007, the Vendor has requested, for the purpose of its due diligence review of the Group under the Agreement, the Company to provide it with the information about ICAC’s investigation relating to the Event, including all documents provided by the Company to the ICAC. However, as the Company considers it is inappropriate for them to disclose to any parties any matters that relate to ICAC’s investigation without the prior consent of the ICAC, the Company and the Vendor have come to agreement to terminate the Agreement.

The Directors confirm that they do not expect that the termination of the Agreement will have any material adverse impact on the business and operation, or financial and trading position of the Group. Despite the termination of the Agreement, the Directors nevertheless remain to believe that Vietnam provides attractive investment opportunities to foreign investors. The Company will continue to look for suitable business opportunities in Vietnam.

## **The Event**

### *ICAC Charges*

On 26 November 2007, the ICAC issued a press release that Mr. Hau Tung Ying (“Mr. Hau”), a former chairman of the Company, and Mr. Li Bin (“Mr. Li”), a former executive director of the Company, were charged by the ICAC for alleged conspiracy to defraud the Company in relation to false consultancy contracts and four alternative charges of theft. The conspiracy charge alleged Mr. Hau and Mr. Li of having conspired together and with another staff member of the Company and other persons to defraud the Company and two of its wholly-owned subsidiaries by having caused one of the aforesaid subsidiaries to sign consultancy contracts with two contractors (the “Contractors”), and caused both subsidiaries to make payments to the Contractors. However, in fact, the Contractors, allegedly under the control of Mr. Li, never provide any consultancy service for the relevant subsidiaries of the Company. Mr. Hau and Mr. Li were also charged for four alternative theft charges, which alleged them of stealing a chose in action, namely four debts totalling HK\$8,972,000 owed by a bank to the said two subsidiaries. The alleged offences took place between September 2000 and April 2005.

In its press release, ICAC stated that the Company has rendered full co-operation and assistance to the ICAC in the investigation.

*Company's response*

Mr. Hau resigned as chairman and non-executive director of the Company with effect from 10 April 2006. Mr. Li resigned as an executive director of the Company with effect from 31 December 2005.

Neither Mr. Hau nor Mr. Li has had any involvement in the management of the Group since their respective resignation. To the best of the knowledge of the Directors, after having made necessary enquiries, no existing staff of the Company is involved in the Event. Neither are the Directors aware that there have been payments made to the Contractors by members of the Group since May 2005. There are no relationship, business or otherwise, between members of the Group and the Contractors since May 2005.

Save as disclosed herein, the Directors do not expect that the Event would have any material adverse effect on the business and operation, or financial and trading position of the Group.

**Resumption of Trading**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 5 December 2007 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 with effect from 9:30 a.m. on 7 December 2007.

By Order of the Board  
**China Motion Telecom International Limited**  
**Ting Pang Wan, Raymond**  
*Chairman*

Hong Kong, 6 December 2007

*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.*

*\* For identification purpose only*