
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Motion Telecom International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Company has a primary listing on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and a secondary listing on the Singapore Exchange Securities Trading Limited (“**Singapore Exchange**”). As the Company has a secondary listing on the Singapore Exchange, it is not required to comply with the continuing listing requirement under the Listing Manual of the Singapore Exchange.

The Stock Exchange and the Singapore Exchange take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



潤 迅 通 信 國 際 有 限 公 司 *

China Motion Telecom International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

DISCLOSEABLE TRANSACTION

SALE OF PROPERTIES

21 April 2005

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Best Class”	Best Class International Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Company”	China Motion Telecom International Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited
“Directors”	the directors of the Company
“Disposal”	the disposal of the Properties contemplated under the Provisional Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party which is independent of the Company and connected persons of the Company, and is not a connected person of the Company
“Latest Practicable Date”	13 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	car parking space nos. C1-C40 on the 2nd Floor and car parking space nos. D5-D7 on the 3rd Floor, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon, Hong Kong

DEFINITIONS

“Property Agent”	an Independent Third Party
“Provisional Agreement”	the preliminary sale and purchase agreement dated 22 March 2005 made between Best Class, the Purchaser and the Property Agent relating to the Disposal
“Purchaser”	Lucky Shine Investments Limited, an Independent Third Party
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.75 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a company for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong))
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD



潤 迅 通 信 國 際 有 限 公 司 *

China Motion Telecom International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

Directors:

Hau Tung Ying (*Chairman*)

Shui Ming Hua

Li Bin

Li Yi Sheng

Yip Sam Lo[†]

Ho Chung Tai, Raymond[†]

Pang Tsun Loy, Michael[†]

[†] *Independent non-executive Directors*

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Head Office and Principal

Place of Business:

20th Floor, Towers II & III

Enterprise Square

9 Sheung Yuet Road

Kowloon Bay

Hong Kong

21 April 2005

*To the Shareholders and,
for information only, the holders of Share Options*

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

SALE OF PROPERTIES

INTRODUCTION

On 30 March 2005, the Directors announced that on 22 March 2005, Best Class, an indirect wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with, among others, the Purchaser, an Independent Third Party, to dispose of the Properties at the consideration of HK\$17,200,000.

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information of the Disposal and other information as required by the Listing Rules.

* *For identification purpose only*

LETTER FROM THE BOARD

THE PROVISIONAL AGREEMENT DATED 22 MARCH 2005

Parties

- Vendor : Best Class, an indirect wholly-owned subsidiary of the Company
- Purchaser : Lucky Shine Investments Limited, which is and whose beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Independent Third Parties
- Property agent : a company, which is and whose beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Independent Third Parties

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the Property Agent have one common director and shareholder.

Properties

Car parking space nos. C1-C40 on the 2nd Floor and car parking space nos. D5-D7 on the 3rd Floor, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon, Hong Kong.

Consideration

The consideration for the Disposal of HK\$17,200,000 was arrived at after arm's length negotiation between Best Class and the Purchaser by reference to the current market value of similar properties in the market in the same area. The Company has not conducted any independent valuation on the Properties. The consideration for the Disposal shall be satisfied by the Purchaser in cash as follows:

- (a) HK\$800,000, being the initial deposit, paid by the Purchaser upon the signing of the Provisional Agreement;
- (b) HK\$920,000, being the further deposit, paid by the Purchaser on 8 April 2005; and
- (c) HK\$15,480,000, being the balance, payable by the Purchaser upon completion on or before 20 May 2005.

The initial deposit and the further deposit in the total sum of HK\$1,720,000 shall be paid to Best Class's solicitors as stakeholder who shall not release the same to Best Class unless it is proved to the Purchaser's solicitors that the balance of the consideration is sufficient to discharge the existing legal charge/mortgage in respect of the Properties. The consideration is sufficient to cover the existing mortgage.

Principal Terms

Completion of the sale and purchase of the Properties shall take place on or before 20 May 2005.

LETTER FROM THE BOARD

The Properties shall be sold on an “as is” basis free from encumbrances subject to the existing tenancies.

In consideration of the services rendered by the Property Agent, the Property Agent shall receive a sum of HK\$172,000 from each of Best Class and the Purchaser as commission.

REASONS FOR THE DISPOSAL

The Properties are currently held by the Group as investment properties. Except for car parking space nos. C5, C27, C28, C30, C32, C33, D6 and D7 which are vacant, all other car parking spaces of the Properties are on lease. As investment in real properties is not a core business of the Group, the Directors consider that the Disposal will enable the Group to focus its resources in the provision of international telecommunications services, mobile communications services and distribution and retail chain services. The Directors further consider the terms of the Disposal (including the consideration) to be fair and reasonable and in the interests of the Shareholders as a whole.

The net book value of the Properties is HK\$13,500,000 as at 28 February 2005. It is estimated that, upon completion of the Disposal, the Group will record a profit of approximately HK\$3,700,000 before deducting the relevant expenses.

The Directors further consider that the Disposal will not have significant effect on the earnings and assets and liabilities of the Group.

USE OF PROCEEDS

The net sale proceeds of approximately HK\$17,000,000 from the Disposal will be used as working capital of the Group.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the provision of international telecommunications services, mobile communications services and distribution and retail chain services.

To the best knowledge of the Directors, the Purchaser is a property investment company.

DISCLOSEABLE TRANSACTION

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Hau Tung Ying
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DISCLOSURE OF INTERESTS**(a) Disclosure of interests by the Directors**

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

(i) Directors' interests in Shares

Name of Director	No. of Shares held	Nature of interest	Position	Approximate shareholding percentage
Hau Tung Ying	216,198,000 <i>(Note)</i>	Corporate	Long	41.14%
Shui Ming Hua	250,000	Personal	Long	0.05%

Note: The 216,198,000 Shares are held by Goldtop Holdings Limited (“**Goldtop**”), a company of which is beneficially owned as to 60% by Mr. Hau Tung Ying and as to 40% by his spouse, Madam Ting Yat Shuk. Mr. Hau Tung Ying is therefore deemed to be interested in the 216,198,000 Shares held by Goldtop.

(ii) Share options

Name of Director	Date of grant	Exercise price HK\$	Exercise period	Underlying Shares pursuant to the share options
Hau Tung Ying	20/03/2001	0.75	20/03/02-19/03/11	2,000,000
Shui Ming Hua	25/02/2000	3.19	25/02/01-17/03/08	378,499
	17/10/2000	1.22	17/10/01-17/03/08	432,570
	20/03/2001	0.75	20/03/02-19/03/11	2,000,000
Li Bin	17/10/2000	1.22	17/10/01-17/03/08	108,143 (Note)
	20/03/2001	0.75	20/03/02-19/03/11	700,000 (Note)

Note: The share options for 108,143 and 700,000 underlying Shares include share options for 36,048 and 200,000 underlying Shares held by Madam Gu Jie, the spouse of Dr. Li Bin respectively.

The share options were granted under a share option scheme adopted on 18 March 1998 (the “**Share Option Scheme**”). The Share Option Scheme was subsequently terminated by the Company at a special general meeting held on 6 September 2002 but the share options granted and not yet exercised thereunder would however remain effective and are bound by the terms therein.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

- (b) As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or held any option in respect of such capital:

Name	No. of Shares held	Position	Approximate shareholding percentage
Goldtop	216,198,000	Long	41.14%
Ting Yat Shuk	216,198,000 (Note 1)	Long	41.14%
Midsino International Limited	54,049,500	Long	10.29%
Yang Jun	54,049,500 (Note 2)	Long	10.29%
Ma Lin	54,049,500 (Note 2)	Long	10.29%

Notes:

1. The 216,198,000 Shares are held by Goldtop, a company of which is beneficially owned as to 40% by Madam Ting Yat Shuk and as to 60% by her spouse, Mr. Hau Tung Ying. Madam Ting Yat Shuk is therefore deemed to be interested in the 216,198,000 Shares held by Goldtop due to her 40% direct interest and 60% direct interest held by her spouse, Mr. Hau Tung Ying, in Goldtop.
2. The 54,049,500 Shares are held by Midsino International Limited (“Midsino”), a company of which beneficially owned as to 50% by Mr. Yang Jun and as to 50% by his spouse, Madam Ma Lin. Each of Mr. Yang Jun and Madam Ma Lin is therefore deemed to be interested in the 54,049,500 Shares held by Midsino.

Save as disclosed above, there was no person known to the Directors or the chief executive of the Company, other than the Directors or the chief executive of the Company, who, as at the Latest Practicable Date, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2004 (being the date of which the latest published audited accounts of the Company were made up).

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or arbitration of material importance is pending or threatened against the Company or any of its subsidiaries.

GENERAL

- (a) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM 11, Bermuda.
- (b) The principal share registrar of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda.
- (c) The Hong Kong branch share registrar of the Company is Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The share transfer agent of the Company in Singapore is Barbinder & Co Pte Ltd, 8 Cross Street, #11-00 PWC Building, Singapore 048424.
- (e) The secretary of the Company is Ms. Chan Siu Mei, ACS and ACIS.
- (f) The qualified accountant of the Company is Ms. Wong Ka Wai, CPA.
- (g) The English text of this circular will prevail over the Chinese text.