

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



Neo Telemedia Limited 中國新電信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8167)

LEGAL PROCEEDINGS INVOLVING A SUBSIDIARY

This announcement is made by Neo Telemedia Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules).

The board of directors (the “**Directors**”) of the Company hereby notifies its shareholders (the “**Shareholders**”) and the prospective investors of the Company that a writ of summons (the “**Writ of Summons**”) was issued at the Court of First Instance, the High Court of Hong Kong on 3 June 2013 by Mr. Lee Kwok Tai Andrew (the “**Plaintiff**”) as the plaintiff claiming against Mr. Li Hongrong (the “**1st Defendant**”), the former chairman and a former executive director of the Company, as the 1st defendant and Joyful New Limited (the “**2nd Defendant**”), a wholly-owned subsidiary of the Company, as the 2nd defendant (the “**Legal Proceedings**”). The Writ of Summons was issued only with a general indorsement of claim.

The Writ of Summons was not served on the Company’s legal advisers until 24 July 2013 and the acknowledgment of service of the Writ of Summons was filed at the High Court on 6 August 2013. The statement of claim (the “**Statement of Claim**”) issued by the Plaintiff was served on the Company’s legal advisers on 6 September 2013.

As alleged in the Statement of Claim, the Plaintiff is claiming against the 1st Defendant and the 2nd Defendant for, *inter alia*,

1. a sum of HK\$81,720,000 as the balance of the purchase price pursuant to a share sale agreement (the “**Agreement**”) entered into between Lee Tak Ming, the agent of the Plaintiff, as the vendor and the 2nd Defendant as the purchaser in June 2009; and
2. the sums of HK\$37,000,000 and HK\$40,000,000 as the damages for breach of an alleged oral agreement entered into between the Plaintiff and the 1st Defendant in 2008 in connection with the Agreement.

As at the date of this announcement, the Company is seeking legal advice in relation to the Legal Proceedings and the further actions which the Company may take in this respect. The Directors will closely monitor the development of the Legal Proceedings and take all necessary measures to protect the interests of the Group and the Shareholders.

The Company will make further announcements to update the Shareholders and the prospective investors as and where appropriate in compliance with the GEM Listing Rules.

By order of the Board
Neo Telemedia Limited
ZHANG Xinyu
Executive Director

Hong Kong, 9 September 2013

As at the date hereof, the board of Directors comprises five executive directors namely Mr. Theo EDE, Mr. HU Yangjun, Mr. ZHANG Xinyu (Chief Executive Officer), Mr. CHEUNG Sing Tai and Mr. LIAN Xin; and three independent non-executive directors, namely Dr. Jih Chyi LEU (Chairman), Mr. LAM Kin Kau Mark and Professor SONG Junde.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.neo-telemedia.com.