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**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)**

**DISCLOSEABLE TRANSACTION:  
AGREEMENT TO ENTER INTO STRUCTURED CONTRACTS AND  
ISSUANCE AND ALLOTMENT OF SHARES**

The Board is pleased to announce that after trading hours on 30 January 2015, the Subsidiary and Ms. Ye entered into the Agreement pursuant to which Ms. Ye has conditionally agreed to execute and procure the execution of the Structured Contracts and the Subsidiary has conditionally agreed to procure the issuance and allotment of the Consideration Shares by the Company to Ms. Ye at the Subscription Price per Share with the total subscription price being HK\$99,990,000. Ms. Ye's due execution and procurement of the execution of the Structured Contracts and her having successfully procured the relevant persons to execute the Structured Contracts shall be deemed to be satisfaction of her payment obligation of the total subscription price for the Consideration Shares.

Completion of the Agreement is conditional upon the satisfaction of several conditions precedent as more particularly set out in the sub-paragraph headed "Conditions precedent" below.

As the applicable percentage ratio(s) in respect of the Agreement is more than 5% but is less than 25%, the Agreement constitutes a discloseable transaction for the Company and is subject to the disclosure requirements under the GEM Listing Rules.

On 30 January 2015 (after trading hours), the Subsidiary entered into the Agreement with Ms. Ye, pursuant to which the Subsidiary has agreed to procure the Company to issue and allot the Consideration Shares to Ms. Ye at the Subscription Price per Share with the total subscription price being HK\$99,990,000 and Ms. Ye has agreed to execute and procure the execution of the Structured Contracts.

## **THE AGREEMENT**

The principal terms of the Agreement are as follows:

### **Date**

30 January 2015 (after trading hours)

### **Parties**

- (i) the Subsidiary; and
- (ii) Ms. Ye.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Ye is a third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

### **Subject matter of the Agreement**

Ms. Ye holds 95% of the equity interest of Wei Hai and is the legal representative of Wei Hai.

Pursuant to the Agreement, the Subsidiary agrees to procure the Company to allot and issue the Consideration Shares to Ms. Ye at the Subscription Price per Share, and Ms. Ye agrees to (i) execute the Ye Equity & Voting Agreement and the Ye Equity Pledge Agreement; (ii) procure Wei Hai to execute the Exclusive Service Agreement, the Ye Equity & Voting Agreement, the Xu Equity & Voting Agreement, the Ye Equity Pledge Agreement and the Xu Equity Pledge Agreement; (iii) procure Mr. Xu to execute the Xu Equity & Voting Agreement and the Xu Equity Pledge Agreement; (iv) procure the Ye Spouse to execute the Ye Spousal Declaration; and (v) procure the Xu Spouse to execute the Xu Spousal Declaration. The aforesaid agreements and declarations are the Structured Contracts.

### **Consideration**

The consideration for the execution of the Structured Contracts (by Ms. Ye of the Ye Equity & Voting Agreement and the Ye Equity Pledge Agreement and her procurement of the other parties' execution of the other Structured Contracts) is, through the procurement of the Subsidiary, the issuance and allotment of the Consideration Shares by the Company to Ms. Ye at the Subscription Price per Share (that is, at the total subscription price of HK\$99,990,000). Ms. Ye's execution and procurement of the execution of the Structured Contracts and her having successfully procured the relevant persons to execute the Structured Contracts shall be deemed to be satisfaction of her payment obligation of the total subscription price for the Consideration Shares.

The Consideration was determined after arm's length negotiations between Ms. Ye and the Subsidiary with reference to the financial position and business prospects of Wei Hai. The Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares represent approximately 11% of the existing entire issued share capital of the Company as at the date of this announcement, and approximately 9.91% of the entire issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

### **Issue price of the Consideration Shares**

The issue price of HK\$0.33 per Consideration Share represents:

- (1) a discount of approximately 16.46% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 30 January 2015, being the date in which the Agreement was entered into;
- (2) a discount of approximately 15.60% to the average closing price of HK\$0.391 per Share as quoted on the Stock Exchange over the last 5 consecutive trading days up to and including 30 January 2015; and
- (3) a discount of approximately 10.45% to the average closing price of HK\$0.3685 per Share as quoted on the Stock Exchange over the last 10 consecutive trading days up to and including 30 January 2015.

The issue price of the Consideration Shares was negotiated on an arm's length basis between the Company, the Subsidiary and Ms. Ye with reference to the prevailing market price of the Shares.

The Consideration Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 510,984,158 Shares. Up to the date of this announcement, 200,000,000 Shares have been issued under the General Mandate on 29 May 2014 pursuant to the placing agreement entered into on 15 May 2014, and therefore, there are 310,984,158 Shares remaining under the General Mandate. Accordingly, the issue and allotment of the Consideration Shares is not subject to the approval of the Shareholders.

An application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange. The Consideration Shares will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such issue.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement (as extracted from the Disclosure of Interests filed on the website of the Stock Exchange by the relevant Shareholders and the latest available public information) and the shareholding structure of the Company immediately after the issue and allotment of the Consideration Shares are as follows:

	As at the date of this announcement		Immediately upon issue and allotment of the Consideration Shares	
	No. of Shares	Approx %	No. of Shares	Approx %
<b>Substantial Shareholders</b>				
Mr. LIE Haiquan	578,556,000	21.00	578,556,000	18.92
Winner Mind Investments Limited (Note 1)	210,000,000	7.62	210,000,000	6.87
Golden Ocean Assets Management Limited (Note 2)	10,580,000	0.39	10,580,000	0.34
<b>Sub-total</b>	<b>799,136,000</b>	<b>29.01</b>	<b>799,136,000</b>	<b>26.13</b>
Public Shareholders	1,955,784,793	70.99	1,955,784,793	63.96
Ms. Ye	—	—	303,000,000	9.91
<b>Total</b>	<b>2,754,920,793</b>	<b>100.00</b>	<b>3,057,920,793</b>	<b>100.00</b>

### Notes:

- (1) These Shares are held by Winner Mind Investment Limited (“Winner Mind”), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. LIE Haiquan. Thus, he is deemed to be interested in the 210,000,000 Shares held by Winner Mind.
- (2) These Shares are held by Golden Ocean Assets Management Limited (“Golden Ocean”), a company incorporated in Hong Kong, which is wholly-owned by Mr. LIE Haiquan. Thus, he is deemed to be interested in the 10,580,000 Shares held by Golden Ocean.
- (3) The percentages are subject to a rounding difference, if any.

## Conditions precedent

The Completion is conditional upon the following conditions being satisfied or waived:

- (i) the Subsidiary having completed and being satisfied with its due diligence investigation of the assets, liabilities, operations, tax, accounts and legal aspects relating to Wei Hai;
- (ii) the Board and the boards of directors of the Subsidiary, NEO Mobile Network and the Project Company having passed resolutions approving the Agreement, the Structured Contracts and any related agreements;
- (iii) the shareholders' meeting of the Company having passed a resolution approving the allotment and issuance of the Consideration Shares (if applicable);
- (iv) Wei Hai having obtained a value-added telecommunications business operating licence and other necessary licences for all the businesses actually or practically being conducted by Wei Hai up to the Completion Date;
- (v) as regards the Winding-up Petition relating to the Company, the Winding-up Petition having been dismissed, struck off or withdrawn or a court order having been obtained for the completion of the contemplated transactions under the Agreement;
- (vi) all relevant parties having obtained all necessary authorizations, consents and approvals for the transactions pursuant to the Structured Contracts, and such authorizations, consents and approvals being still valid and effective, and there being no law, regulation, order, judgment, notice or decision recommended, announced or enforced by any authority that prohibits, restricts or seriously delays the Structured Contracts and the completion of the contemplated transactions or that will have any serious impact on Wei Hai after Completion;
- (vii) the Project Company having obtained a PRC legal opinion which is satisfactory to the Project Company in relation to the arrangements under the Structured Contracts;
- (viii) the Structured Contracts having been executed by all relevant parties;
- (ix) all relevant parties having made the necessary filings, registrations, reports or notifications regarding the Structured Contracts with all the relevant PRC governmental or regulatory departments, bodies or organizations, including but not limited to the due registration of the Ye Equity Pledge Agreement and the Xu Equity Pledge Agreement with the Administrative Bureau for Industry and Commerce in the PRC;
- (x) the Stock Exchange having approved the listing and dealing in the Consideration Shares;
- (xi) the representation and warranties of Ms. Ye in the Agreement being on the date of the Agreement and on the Completion Date true, accurate and not misleading in all respects; and

(xii) Ms. Ye having not materially breached the terms and conditions of the Agreement (including those relating to the restrictions imposed between the date of the Agreement and the Completion Date) prior to the Completion Date.

The Subsidiary and Ms. Ye agree to use their best endeavours to satisfy or procure the relevant parties to satisfy the aforesaid conditions precedent. If all the conditions precedent have not been satisfied or waived in writing on or before 30 June 2015 (or such later date as agreed by the Subsidiary and Ms. Ye), the Agreement shall be terminated and the Subsidiary and Ms. Ye shall not claim against each other except for antecedent breaches of the Agreement.

### **Completion**

The Completion shall take place on the Completion Date.

### **Profit guarantee**

Ms. Ye guarantees and undertakes that the Wei Hai Profits as shown in the audited financial statements of Wei Hai for the Wei Hai Year 2015 Financial Year shall not be less than HK\$10,000,000. If such a profit guarantee is not achieved, Ms. Ye shall compensate the Subsidiary for the shortfall.

### **Indemnity**

Ms. Ye agrees to indemnify the Subsidiary, the Company, NEO Mobile Network and the Project Company against all loss, liabilities, claims, costs and expenses (including but not limited to legal expenses) caused by Wei Hai's non-compliance regarding Wei Hai's failure to obtain the value-added telecommunications business operating licence and/or other necessary licences for conducting its businesses.

### **User Volume**

Ms. Ye agrees to use her best endeavours to procure that Wei Hai shall have a total of 2,000,000 or above users regarding Wei Hai's WiFi service as of 31 December 2015.

## **REASONS FOR AND THE BENEFITS OF THE AGREEMENT AND THE STRUCTURED CONTRACTS**

The principal activity of the Company is investment holding and the principal activities of its operating subsidiaries are the sale and distribution of telecommunication products, provision of cable and wireless broadband services and electronic media services.

The emergence of mobile internet topples all traditional industries. WiFi has the advantages of broader band-width and price when compared with 3G and 4G. It is the most important access to mobile internet. The Group hopes to further its mobile internet business development and have a market share in the PRC mobile internet industry. The Group hopes to become the market leader and develop further commercial opportunities through the analysis of its numerous service users' consumption behaviour data.

The Company considers that the Agreement and the Structured Contracts enable the Group to capture high growth opportunity in the WiFi access services. The Directors consider that they are in line with the business plan of the Group.

The Directors (including the independent non-executive Director) consider that the Agreement, the Structured Contracts and the transactions contemplated thereunder were entered into on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The principal activity of the Company is investment holding and the principal activities of its operating subsidiaries are the sale and distribution of telecommunication products, provision of cable and wireless broadband services and electronic media services.

The principal activity of the Project Company is investment holding.

## **INFORMATION OF WEI HAI**

### **Background information of Wei Hai**

Wei Hai is a limited company established in Guangzhou, the PRC on 19 March 2014, with a registered capital of RMB10 million and a paid up capital of RMB8 million. 95% of the equity interest of Wei Hai is held by Ms. Ye and 5% by Mr. Xu, both domestic residents of the PRC.

The registered scope of business of Wei Hai includes research into and development of internet technology, and provision of online video, online picture, online game, online music and online payment services. The existing business of Wei Hai involves providing WiFi services, online picture services, and online advertising (“the Value-added Telecommunications Businesses”), excluding online video, online music, online game and online payment services (“the Excluded Businesses”). Wei Hai currently has no plan or road map to develop and operate the Excluded Businesses. But Wei Hai will apply to the competent authority for proper licenses when carrying out the Excluded Businesses.

In October 2014, Wei Hai launched the Value-added Telecommunications Businesses, which are considered to be value-added telecommunications services and caused Wei Hai to become a commercial internet information service provider. As at the date of this announcement, Wei Hai has not conducted the Excluded Businesses.

In order to properly operate the Value-added Telecommunications Businesses, on 7 August 2014, Wei Hai submitted to the competent authority an application for an ICP License (the value-added telecommunications business operating licence ( 增值電信業務經營許可證 ), which is generally known as the “internet content provider licence”).

As advised by Wei Hai, save for the non-compliance disclosed in the paragraph headed “Wei Hai has certain compliance irregularities which may lead to potential legal liabilities and penalties” under the section of “Risk Relating to Structured Contracts” below, Wei Hai does not have any material legal non-compliance.

## **Business prospects of Wei Hai**

Wei Hai's business development targets at providing WiFi connection services with the largest coverage in the PRC, becoming one of the largest mobile internet service providers, and furthering and developing the application services to become the largest Tong Cheng community and O2O service provider.

In the megadata and cloud computing territory, Wei Hai actively develops the business of data centre. It co-operates with the Lang Chao Group to provide services including server services, storage services and sales, management and maintenance of network safety services. It actively researches and develops and provides megadata applications. It hopes to become the largest cloud technology megadata service provider in South China.

## **Financial information of Wei Hai**

As extracted from Wei Hai's audited financial statements prepared in accordance with generally accepted accounting principles in the PRC, the audited net assets value of Wei Hai is approximately RMB7,893,000 as at 31 December 2014. The audited net loss before taxation and after taxation of Wei Hai is approximately RMB2,107,000 and RMB2,107,000 respectively for the period from 19 March 2014 (Wei Hai's date of establishment) to 31 December 2014. The turnover of Wei Hai is approximately RMB4,400,000 for the period from 19 March 2014 to 31 December 2014.

## **INFORMATION OF THE STRUCTURED CONTRACTS**

### **Introduction**

The existing businesses of Wei Hai involve the Value-added Telecommunications Businesses, which are considered to be engaged in the provision of value-added telecommunications services. In relation to the Value-added Telecommunications Businesses, Wei Hai has submitted to the competent authority an application for an ICP License. Pursuant to the applicable PRC laws and regulations, a wholly foreign owned entity is unable to conduct value-added telecommunications services such as providing WiFi services.

Accordingly, the acquisition of an equity interest in Wei Hai through the Project Company will be restricted. Therefore the Company, through its indirectly wholly owned subsidiary, the Project Company, shall enter into the Structured Contracts (except for the Spousal Declarations) to conduct the restricted business in the PRC in order to comply with the applicable PRC laws and regulations and to assert management control over the operations of, and enjoy all of the economic benefits of, Wei Hai. The Structured Contracts are designed specifically to confer upon the Project Company the right to enjoy all the economic benefits of Wei Hai, to exercise management control over the operations of Wei Hai, and to prevent any leakage of the assets and values of Wei Hai to the registered shareholders of Wei Hai. The Project Company is not obligated under the Structured Contracts to provide any financial support to Wei Hai. Where losses occur to Wei Hai, the Project Company will not share the losses directly. Further the Structured Contracts do not amount to a shareholding relationship between the Project Company and Wei Hai.

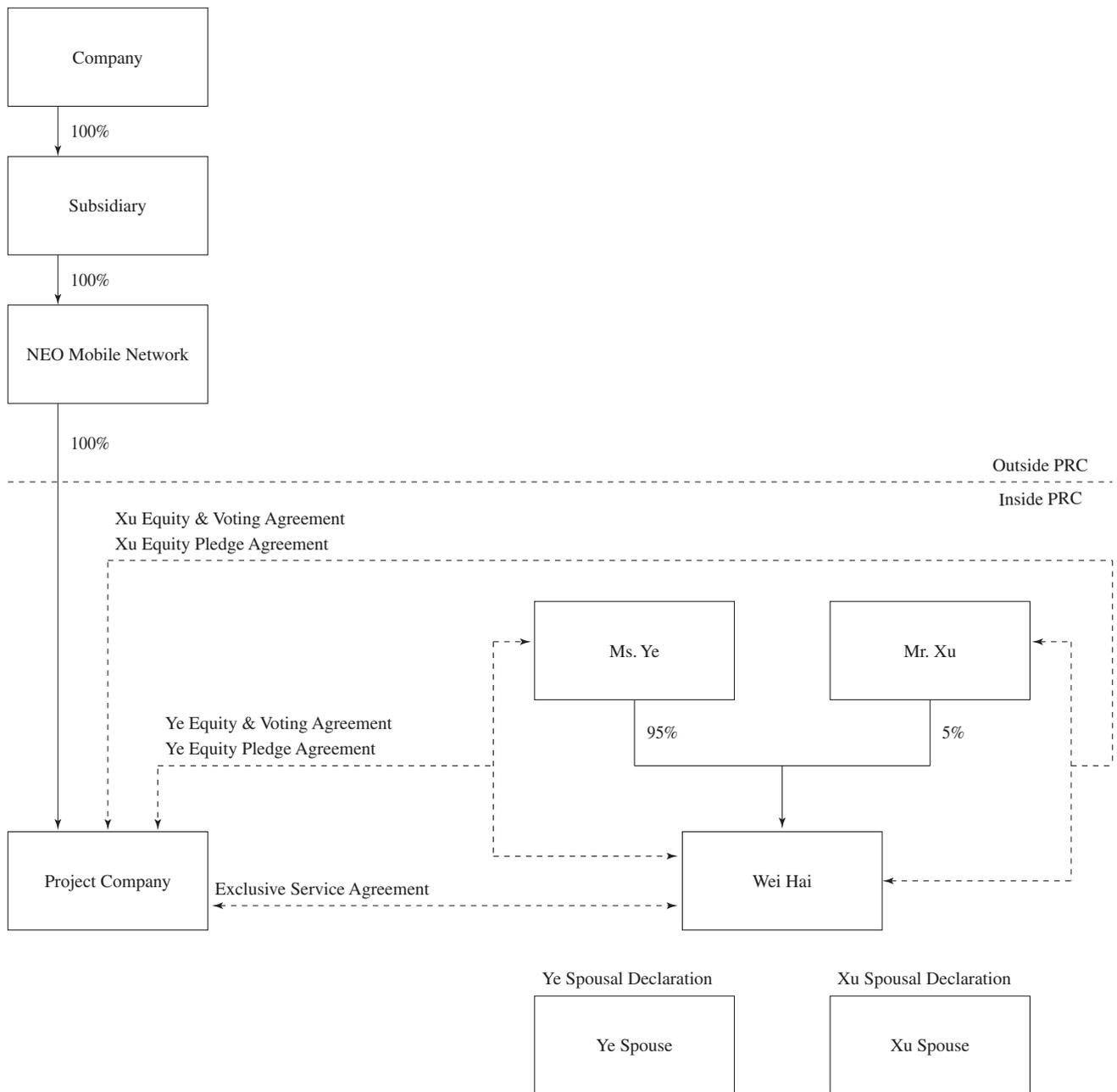
Notwithstanding the above, since Wei Hai is expected to contribute revenue to the Project Company by way of making payments to the Project Company under the Structured Contracts. Any loss incurred by Wei Hai will have an adverse impact on the ability of Wei Hai to make such payments and hence indirectly affect the Project Company's financial performance on a consolidated basis.

The PRC Legal Advisor is of the opinion that except for certain legal risks of the Structured Contracts as set out in the paragraph headed “Risks relating to Structured Contracts – The PRC government may determine that the Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations” below, the Structured Contracts to be entered into by the Project Company do not violate the articles of association of Wei Hai nor the articles of association of the Project Company. The PRC Legal Advisor is also of the opinion that the Structured Contracts are legally binding on and enforceable against each party in each of the agreements or declarations in accordance with their respective terms and provisions under PRC laws and regulations except that the Ye Equity Pledge Agreement and the Xu Equity Pledge Agreement shall be enforceable against each party of each of the agreements from the date the registration of the pledges with the competent industry and commerce administration authority has been completed and except that part of the provisions contained in the dispute resolution provisions of the Structured Contracts (except for the Spousal Declarations) may not be valid and enforceable under PRC laws as explained in the paragraph headed “Manner of settlement of disputes which may arise from the Structured Contracts” below. The Directors therefore believe that save as otherwise disclosed in the paragraph headed “Risks relating to Structured Contracts – The PRC government may determine that Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations” below, the Structured Contracts are enforceable under the relevant laws and regulations in the PRC, and that the Structured Contracts provide a mechanism that enables the Project Company to exercise effective control over Wei Hai.

The Board believes that the Structured Contracts are narrowly tailored to enable the Company to indirectly operate the Value-added Telecommunications Businesses which is within the scope of business of Wei Hai and to minimize the potential conflicts with relevant PRC laws and regulations. The Value-added Telecommunications Businesses are considered to be value-added telecommunications services, a sector where foreign investment is significantly restricted pursuant to the Guidance Catalogue of Industries for Foreign Investment (《外商投資產業指導目錄》) and the Administrative Rules for Foreign Investments in Telecommunications Enterprises (《外商投資電信企業管理規定》)(“FITE Rules”) issued by the State Council on 11 December 2001 and amended on 10 September 2008. In addition, certain business operation licenses (i.e. ICP License) required for the Value-added Telecommunications Businesses can only be obtained by PRC domestic companies and Sino-foreign entities fulfilling the Qualification Requirements (as defined in the paragraph headed “The PRC government may determine that Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations”). Since any investment made by the Project Company directly or indirectly is regarded as foreign investment under PRC Laws, the Project Company as a wholly foreign owned company would not be able to apply for the licenses and approvals required for the operation of the Value-added Telecommunications Businesses. In order to comply with the applicable PRC Laws, the licenses and permits that are essential to the operation of the Value-added Telecommunications Businesses need to be held by Wei Hai. Therefore the Structured Contracts are entered into so that the Project Company may conduct the Value-added Telecommunications Businesses in the PRC and assert management control over the operations of, and enjoy all of the economic benefits of Wei Hai.

## Diagram of the Structured Contracts

The following simplified diagram illustrates the flow of economic benefits from Wei Hai to the Project Company stipulated under the Structured Contracts upon the completion of the transactions under the Structured Contracts:



## **Exclusive Service Agreement**

Pursuant to the Agreement, Ms. Ye shall procure Wei Hai to enter into the Exclusive Service Agreement with the Project Company. Pursuant to the Exclusive Service Agreement, Wei Hai shall engage the Project Company as its exclusive service provider. The Project Company shall provide to Wei Hai technology support, business support and relevant consultancy services that relate to the business of Wei Hai including but not limited to (i) license to Wei Hai the right to use the intellectual property rights (including but not limited to patent, trade mark and copyright) owned by the Project Company according to the business needs of Wei Hai; (ii) develop, maintain and update the relevant software required by the business of Wei Hai; (iii) purchase and rent or obtain the right to use on behalf of Wei Hai machinery equipment, storage space, related software and other software facilities required by the business of Wei Hai; (iv) provide to Wei Hai professional technical personnel and provide training to them on behalf of Wei Hai; (v) assist Wei Hai to collect and research technology that is relevant to the business of Wei Hai; (vi) advise on matters relating to the business operations of Wei Hai raised by Wei Hai, and provide to Wei Hai business promotion and market sales services; and (vii) according to the request of Wei Hai and with the consent of the Project Company, provide to Wei Hai other recommendations and services relating to the business of Wei Hai.

Pursuant to the Exclusive Service Agreement, Wei Hai shall pay to the Project Company a service fee that is equal to 100% of the net income of Wei Hai after deducting operation expenses. With the prior written consent of the Project Company, the calculation method of the service fee may be adjusted according to the operation needs of Wei Hai. Wei Hai shall pay the service fee according to the time and method requested in writing by the Project Company.

The Exclusive Service Agreement is for an indefinite term commencing from the date of the agreement. It may be terminated by a termination agreement to be entered into by the Project Company and Wei Hai. The Project Company may terminate it by giving 30 days' prior written notice to Wei Hai.

## **Ye Equity & Voting Agreement**

Pursuant to the Agreement, Ms. Ye shall enter and procure Wei Hai to enter into the Ye Equity & Voting Agreement with the Project Company. Pursuant to the Ye Equity & Voting Agreement, Ms. Ye shall irrevocably grant to the Project Company or the person designated by the Project Company an exclusive option to purchase, subject to and as permitted by PRC laws, her entire equity interest in Wei Hai by way of one or more times of exercise of the option at any time, at an option price which is nil or nominal, or the minimum price permitted by PRC laws. If PRC laws require that the option price be a substantial consideration, the Project Company, Ms. Ye and Wei Hai shall confirm a substantial price as the option price according to PRC law, and Ms. Ye shall either use a bank account designated by the Project Company to receive the option price or immediately return to the Project Company or its designated person the option price upon receipt.

In addition, pursuant to the Ye Equity & Voting Agreement, Ms. Ye shall, in attending to the management of and exercising her shareholder's right in Wei Hai, seek and follow the instructions of the Project Company, and such shareholder's rights include but are not limited to: (i) a voting right in the shareholders' meeting of Wei Hai; (ii) the right to nominate and appoint the directors of Wei Hai; (iii) procuring the director(s) nominated or appointed by Ms. Ye to exercise the director's rights (including the voting right) in the directors' meetings according to the instructions of the Project Company; (iv) the right to dispose and manage assets (including the exercise of the shareholder's right in invested companies) of Wei Hai, the right to manage operation and the right to make financial decisions. Ms. Ye shall take all necessary action to procure Wei Hai to give its financial information, meeting documents and all company information and its seal to the Project Company or its designated person for custody.

The Ye Equity & Voting Agreement is for an indefinite term commencing from the date of the agreement. It may be terminated by a termination agreement to be entered into by the Project Company, Ms. Ye and Wei Hai. The Project Company may terminate it by giving 30 days' prior written notice to Ms. Ye and Wei Hai.

### **Xu Equity & Voting Agreement**

Pursuant to the Agreement, Ms. Ye shall procure Mr. Xu and Wei Hai to enter into the Xu Equity & Voting Agreement with the Project Company. Pursuant to the Xu Equity & Voting Agreement, Mr. Xu shall irrevocably grant to the Project Company or the person as designated by the Project Company an exclusive option to purchase, subject to and as permitted by PRC laws, his entire equity interest in Wei Hai by way of one or more times of exercise of the option at any time, at an option price which is nil or nominal, or the minimum price permitted by PRC laws. If PRC laws require that the option price be a substantial consideration, the Project Company, Mr. Xu and Wei Hai shall confirm a substantial price as the option price according to PRC law, and Mr. Xu shall either use a bank account designated by the Project Company to receive the option price or immediately return to the Project Company or its designated person the option price upon receipt.

In addition, pursuant to the Xu Equity & Voting Agreement, Mr. Xu shall in attending to the management of and exercising his shareholder's right in Wei Hai, seek and follow the instructions of the Project Company, and such shareholder's rights include but are not limited to: (i) a voting right in the shareholders' meeting of Wei Hai; (ii) the right to nominate and appoint the directors of Wei Hai; (iii) procuring the director(s) nominated or appointed by Mr. Xu to exercise the director's rights (including the voting right) in the directors' meetings according to the instructions of the Project Company; (iv) the right to dispose and manage assets (including the exercise of the shareholder's right in invested companies) of Wei Hai, the right to manage operations and the right to make financial decisions. Mr. Xu shall take all necessary action to procure Wei Hai to give its financial information, meeting documents and all company information and its seal to the Project Company or its designated person for custody.

The Xu Equity & Voting Agreement is for an indefinite term commencing from the date of the agreement. It may be terminated by a termination agreement to be entered into by the Project Company, Mr. Xu and Wei Hai. The Project Company may terminate it by giving 30 days' prior written notice to Mr. Xu and Wei Hai.

## **Ye Equity Pledge Agreement**

Pursuant to the Agreement, Ms. Ye shall enter and procure Wei Hai to enter into the Ye Equity Pledge Agreement with the Project Company. Pursuant to the Ye Equity Pledge Agreement, Ms. Ye shall pledge all her equity interest in Wei Hai to the Project Company to guarantee, subject to the limit of RMB60,000,000, the performance of all the obligations of (i) Wei Hai under the Exclusive Service Agreement, (ii) Ms. Ye and Wei Hai under the Ye Equity & Voting Agreement, and (iii) Mr. Xu and Wei Hai under the Xu Equity & Voting Agreement. Pursuant to the Ye Equity Pledge Agreement, if there is any breach of the Exclusive Service Agreement by Wei Hai, any breach of the Ye Equity & Voting Agreement by Ms. Ye or Wei Hai or any breach of the Xu Equity & Voting Agreement by Mr. Xu or Wei Hai, the Project Company is entitled to exercise the pledgee's right. The Project Company shall, as permitted by PRC laws, have priority in being compensated from the sale price of all or part of Ms. Ye's equity interest in Wei Hai by auction or private sale. In addition, the Project Company shall have priority (over other proposed transferees offering the same price) to be transferred all or part of Ms. Ye's equity interest in Wei Hai at auction or private sale.

Pursuant to the Ye Equity Pledge Agreement, Ms. Ye undertakes to the Project Company, among others, that without the Project Company's written consent she will not sell, transfer, charge, pledge, gift or otherwise dispose of her entire equity interest in Wei Hai, and will not create or permit to be created any security interest or other debt liabilities over all or part of her equity interest in Wei Hai and related dividends that may affect the interest and benefit of the Project Company, except for the performance of the Exclusive Service Agreement and the Ye Equity & Voting Agreement.

The Ye Equity Pledge Agreement commences on the date when the following conditions are fulfilled: (i) the Ye Equity Pledge Agreement is signed by the Project Company, Ms. Ye and Wei Hai; (ii) the pledge of Ms. Ye's entire equity interest in Wei Hai pursuant to the Ye Equity Pledge Agreement has been recorded in the register of shareholders; and (iii) the Ye Equity Pledge Agreement has been registered with the relevant PRC Industry and Commerce Administration Bureau. The Ye Equity Pledge Agreement is for an indefinite term and shall be terminated with the consent of the Project Company, Ms. Ye and Wei Hai after Ms. Ye and Wei Hai have performed all their obligations under the Ye Equity & Voting Agreement, the Xu Equity & Voting Agreement and the Exclusive Service Agreement.

## **Xu Equity Pledge Agreement**

Pursuant to the Agreement, Ms. Ye shall procure Mr. Xu and Wei Hai to enter into the Xu Equity Pledge Agreement with the Project Company. Pursuant to the Xu Equity Pledge Agreement, Mr. Xu shall pledge all his equity interest in Wei Hai to the Project Company to guarantee, subject to the limit of RMB60,000,000, the performance of all the obligations of (i) Wei Hai under the Exclusive Service Agreement, (ii) Mr. Xu and Wei Hai under the Xu Equity & Voting Agreement, and (iii) Mr. Xu and Wei Hai under the Xu Equity & Voting Agreement. Pursuant to the Xu Equity Pledge Agreement, if there is any breach of the Exclusive Service Agreement by Wei Hai, any breach of the Xu Equity & Voting Agreement by Mr. Xu or Wei Hai or any breach of the Ye Equity & Voting Agreement by Ms. Ye or Wei Hai, the Project Company is entitled to exercise the pledgee's right. The Project Company shall, as permitted by PRC laws, have priority in being compensated from the sale price of all or part of Mr. Xu's equity interest in Wei Hai by auction or private sale. In addition, the Project Company shall have priority (over other proposed transferees offering the same price) to be transferred all or part of Mr. Xu's equity interest in Wei Hai at auction or private sale.

Pursuant to the Xu Equity Pledge Agreement, Mr. Xu undertakes to the Project Company, among others, that without the Project Company's written consent he will not sell, transfer, charge, pledge, gift or otherwise dispose of his entire equity interest in Wei Hai, and will not create or permit to be created any security interest or other debt liabilities over all or part of his equity interest in Wei Hai and related dividends that may affect the interest and benefit of the Project Company, except for the performance of the Exclusive Service Agreement and the Xu Equity & Voting Agreement.

The Xu Equity Pledge Agreement commences on the date when the following conditions are fulfilled: (i) the Xu Equity Pledge Agreement is signed by the Project Company, Mr. Xu and Wei Hai; (ii) the pledge of Mr. Xu's entire equity interest in Wei Hai pursuant to the Xu Equity Pledge Agreement has been recorded in the register of shareholders; and (iii) the Xu Equity Pledge Agreement has been registered with the relevant PRC Industry and Commerce Administration Bureau. The Xu Equity Pledge Agreement is for an indefinite term and shall be terminated with the consent of the Project Company, Mr. Xu and Wei Hai after Mr. Xu, Ms. Ye and Wei Hai have performed all their obligations under the Xu Equity & Voting Agreement, the Ye Equity & Voting Agreement and the Exclusive Service Agreement.

## **Ye Spousal Declaration**

Pursuant to the Agreement, Ms. Ye shall procure the Ye Spouse, the spouse of Ms. Ye, to make a declaration that he agrees and does not have any objection to the terms and conditions of the Ye Equity & Voting Agreement and the Ye Equity Pledge Agreement entered into by Ms. Ye. In case he obtains Ms. Ye's equity interest in Wei Hai, the said two agreements shall continue to be valid against, and not be revoked by, the Ye Spouse and his successor, agent and asset administrator.

## **Xu Spousal Declaration**

Pursuant to the Agreement, Ms. Ye shall procure the Xu Spouse, the spouse of Mr. Xu, to make a declaration that she agrees and does not have any objection to the terms and conditions of the Xu Equity & Voting Agreement and the Xu Equity Pledge Agreement entered into by Mr. Xu. In case she obtains Mr. Xu's equity interest in Wei Hai, the said two agreements shall continue to be valid against, and not be revoked by, the Xu Spouse and her successor, agent and asset administrator.

## **Manner of settlement of disputes which may arise from Structured Contracts**

The Structured Contracts (except for the Spousal Declarations) provide that as from the date they become effective, any disputes arising from the interpretation and implementation of the Structured Contracts (except for the Spousal Declarations) between the parties should first be resolved through negotiation, failing which within 30 days any party may submit the dispute to the CIETAC with a view to resolving the dispute through arbitration in accordance with the arbitration rules of the CIETAC. The results of the arbitration shall be final and binding on all relevant parties. Subject to PRC laws, the arbitration tribunal may grant remedies over the shares or assets of Wei Hai, injunctive relief for the Project Company (e.g. for the conduct of business or to complete the transfer of assets) or order the winding up of Wei Hai.

In addition, the Structured Contracts (except for the Spousal Declarations) provide that pending the formation of the arbitration tribunal, a court having jurisdiction may grant interim remedies in support of the arbitration pending formation. Subject to PRC laws, the Courts of Hong Kong, the Cayman Islands and the PRC shall have jurisdiction.

The PRC Legal Advisor confirmed that the abovementioned proposed dispute resolution provisions set forth in the Structured Contracts (except for the Spousal Declarations) are in compliance with PRC laws, except that the provisions contained in the dispute resolution provisions of the Structured Contracts (except for the Spousal Declarations) which set forth that the arbitration body may issue injunctions or winding-up orders and the courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal may not be valid and enforceable under PRC laws.

## **RISKS RELATING TO STRUCTURED CONTRACTS**

**The PRC government may determine that Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations.**

If the PRC government finds that the Structured Contracts (which establish the structure for operating the Value-added Telecommunications Businesses of Wei Hai in the PRC) do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, Wei Hai could be subject to severe consequences, including the nullification of the Structured Contracts and the relinquishment of the interest of the Project Company in the Structured Contracts.

According to the FITE Rules, foreign investors' ultimate equity ownership in an entity in the PRC which provides value-added telecommunications services must not exceed 50% and a foreign investor who wishes to acquire an equity interest that exceeds 30% in a value-added telecommunications business in the PRC must demonstrate (i) a good track record and (ii) experience in the provision of value-added telecommunications services ("Qualification Requirements").

Wei Hai has been engaging in the development and operation of the Value-added Telecommunication Businesses. Under the current PRC regulatory circumstances, the Project Company as a wholly foreign owned enterprise would not be able to obtain the ICP License and thus is unable to provide the value-added telecommunications services in the PRC directly.

On 13 July 2006, the Ministry of Information Industry (中華人民共和國信息產業部), currently known as MIIT (the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)) issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (關於加強外商投資經營增值電信業務管理的通知) ("MIIT Notice"), which reiterated restrictions on foreign investment in the telecommunications businesses. Under the MIIT Notice, a domestic company that holds an ICP License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to provide ICP services illegally in the PRC. Due to a lack of interpretative materials from the authorities, it cannot be assured that the MIIT will not consider the Structured Contracts as a kind of foreign investment in telecommunication services, in which case the Project Company and Wei Hai may be found in violation of the MIIT Notice.

In addition, several recent articles published by some news agencies reported discussions that a recent PRC Supreme Court decision and two VIE structure-related arbitration decisions in Shanghai had cast doubt on the validity of the VIE structure. According to these articles, the PRC Supreme Court ruled in late 2012 that an entrustment agreement entered into by and between a Hong Kong company and a PRC domestic entity, which was purported to enable such Hong Kong company to make an equity investment in a PRC bank through the proxy PRC domestic entity, was void on the grounds that this agreement established an entrustment relationship meant to circumvent the PRC laws and regulations that prohibit foreign investment in PRC financial institutions and as such, constituted an act of concealing illegal intentions with a legitimate form. These articles argued that a contractual arrangement in a VIE structure and the entrustment agreement in the cited case, which were similar to the Structured Contracts, were also designed to "get around" the regulatory restrictions on foreign investment in certain industries. As such, the articles noted that this Supreme Court decision might increase the uncertainties relating to the PRC government's view on the validity of the VIE structure. These articles also reported, without providing sufficient details, on two arbitration decisions by the then Shanghai CIETAC which invalidated the contractual arrangement used in a VIE structure in 2010 and 2011.

The PRC Legal Advisor is of the opinion that, based on their understanding and the numerous precedents of PRC domestic internet content providers controlled by overseas companies through contractual arrangements that are similar to the Structured Contracts, the Structured Contracts do not result in a violation of PRC laws, or would not be deemed as “concealing illegal intentions with lawful forms” (as a matter concerning Section 52 of the PRC Contract Law). The Structured Contracts are enforceable, valid and legally binding in accordance with their terms and provisions (except for part of the arbitration clauses contained therein setting forth that the arbitration tribunal may issue injunction or winding-up orders and the Courts of Hong Kong and the Cayman Islands have the jurisdiction to grant interim remedies in support of the arbitration pending formation of the arbitration tribunal).

However, according to the PRC Legal Advisor, it cannot be assured that the PRC government or judicial authorities would agree that the Structured Contracts comply with current PRC laws or regulations, would not strictly enforce current PRC laws regulating the provision of internet content, or would not adopt new laws or policies in the future. If the PRC government or judicial authorities determine that the Structured Contracts do not comply with applicable laws and regulations, such contracts would be deemed void and the PRC government or judicial authorities could have broad discretion in dealing with such non-compliance, including:

- (i) requiring the nullification of the Structured Contracts;
- (ii) levying fines and/or confiscating the proceeds generated from the operations under the Structured Contracts;
- (iii) revoking of the business licenses or operating licenses of Wei Hai;
- (iv) discontinuing or placing restrictions or onerous conditions on the business operations of Wei Hai;
- (v) taking other regulatory or enforcement actions that could be harmful to or even shut down the business of Wei Hai and/or the Project Company.

**The Project Company relies on Structured Contracts to control and obtain the economic benefits from Wei Hai, which may not be as effective in providing operational control as direct ownership.**

Due to the PRC’s legal restrictions on foreign investment in the value-added telecommunications services, the Project Company controls, through the Structured Contracts rather than equity ownership, Wei Hai, the operating entity in the PRC and the holder-to-be of the key licenses required to operate the value-added telecommunications services in the PRC.

However, the Structured Contracts still may not be as effective as equity ownership in exercising control over Wei Hai. For example, Wei Hai and its shareholders could breach or fail to perform their obligations under the Structured Contracts. If the Project Company had direct ownership of Wei Hai, the Project Company would be able to exercise its rights as a shareholder to effect changes in its board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at management and operational level. Under the Structured Contracts, the Project Company would need to rely on its rights under the Structured Contracts to effect such changes, or designate new shareholders for Wei Hai.

If Wei Hai or its shareholders breach their obligations under the Structured Contracts or if the Project Company loses the effective control over Wei Hai for any reason, the Project Company would need to bring a claim against them under the terms of the Structured Contracts. The Structured Contracts are governed by PRC law and provide that any dispute which arises will be submitted to the CIETAC, for arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the shareholders of Wei Hai may also cause the equity interest they hold in Wei Hai to be subject to court preservation actions or enforcement. The legal framework and system in the PRC, particularly that which relates to arbitration proceedings, is not as developed as in other jurisdictions such as Hong Kong. As a result, significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings remain in the PRC, which could limit the Project Company's ability to enforce the Structured Contracts and exert effective control over Wei Hai. If Wei Hai or any of its shareholders fails to perform its respective obligations under the Structured Contracts, and the Project Company is unable to enforce the Structured Contracts, or suffers significant delays or other obstacles in the process of enforcing the Structured Contracts, the business and operations of the Project Company could be severely disrupted, which could materially and adversely affect operation results. As a result, the Company's investment in the Project Company could also be materially and adversely affected.

Pursuant to the Structured Contracts, Ms. Ye and Mr. Xu irrevocably grant to the Project Company or the person designated by the Project Company exclusive options to purchase, to the extent permitted by PRC laws and regulations, their equity interest in Wei Hai, entirely or partially, at a nominal consideration or fair price permitted by PRC laws and regulations for each option. In addition, Ms. Ye and Mr. Xu undertake under the Structured Contracts that they will return to the Project Company or the person as designated by the Project Company any proceeds, which they will receive upon the exercise of the aforesaid exclusive options. If the final purchase price permitted by PRC laws is a fair price that is substantial and Ms. Ye and Mr. Xu fail to return to the Project Company or the person designated by the Project Company any proceeds, which they will receive upon the exercise of the aforesaid options, the financial condition of the Project Company may be materially and adversely affected. As a result, the Company's investment in the Project Company could also be materially and adversely affected.

### **Remedies of Structured Contracts may not be obtained effectively under PRC laws.**

The Structured Contracts (except for the Spousal Declarations) provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the CIETAC in the PRC. The Structured Contracts (except for the Spousal Declarations) contain provisions to the effect that the arbitration tribunal may award remedies when Wei Hai breaches the Structured Contracts (except for the Spousal Declarations). In addition, the Structured Contracts contain provisions to the effect that the courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, the abovementioned provisions contained in the Structured Contracts may not be enforced effectively. Under PRC laws, an arbitration tribunal does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Wei Hai in case of disputes, and the courts in Hong Kong and the Cayman Islands may not be empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal under PRC laws. As a result, the provisions may not effectively protect the Project Company, notwithstanding the relevant contractual provisions contained in the Structured Contracts.

Therefore, in the event that Wei Hai breaches any of the Structured Contracts, the Project Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Wei Hai and conduct its business could be materially and adversely affected and the financial performance of the Project Company could be materially and adversely affected. As a result, the Company's investment in the Project Company could also be materially and adversely affected.

**Wei Hai has certain compliance irregularities which may lead to potential legal liabilities and penalties**

As set forth in the Regulation on Telecommunications of PRC (《中國電信條例》) (“the Regulation on Telecommunications”) and the Administrative Rules for Internet Information Service (《互聯網信息服務管理辦法》) (“IIS Rules”), an internet information service provider that provides commercial internet information services to internet users is required to obtain an ICP Licence.

Before submitting the application for an ICP Licence and during the process of the application, Wei Hai has been operating value-added telecommunications services without an ICP Licence. But as of the date of this announcement Wei Hai has not been imposed with any penalty on such non-compliance.

According to the Regulation on Telecommunications and the IIS Rules, the potential legal liability of and penalty to be imposed on Wei Hai includes: (i) rectification within a designated period; (ii) confiscation of the proceeds generated from the operations; (iii) fines of at least three times but less than five times of the proceeds; and (iv) closure of the business operations in serious cases.

**Structured Contracts between the Project Company and Wei Hai may be subject to scrutiny by the PRC tax authorities and any finding that Wei Hai owes additional taxes could substantially reduce the consolidated net income of Wei Hai and the value of the Company's investment in the Project Company.**

Under the Exclusive Service Agreement, Wei Hai shall pay to the Project Company a service fee that is equal to 100% of the net income of Wei Hai after deducting operation expenses. This will substantially reduce Wei Hai's taxable income. Such arrangement is a related party transaction which must be conducted on an arm's length basis under applicable PRC tax rules. In addition, under PRC laws and regulations, arrangements and transactions among related parties may generally be subject to audit or scrutiny by the PRC tax authorities within ten years after the taxable year when the arrangements and transactions are conducted. As a result, the determination of the service fees to the Project Company under the Exclusive Service Agreement may be challenged and deemed not in compliance with tax rules. Wei Hai could face material and adverse tax consequences if the PRC tax authorities determine that the Exclusive Service Agreement was not entered into on an arm's length basis and therefore adjust the taxable income of Wei Hai in the form of a transfer pricing adjustment which refers to the prices that one member of a group of affiliated corporations charges to another member of the group for goods, assets, services, financing or the use of intellectual property. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Wei Hai, which could in turn increase Wei Hai's tax liabilities. Any such adjustment could result in a higher overall tax liability of Wei Hai. In addition, the PRC tax authorities may impose late payment fees and other penalties on Wei Hai for any unpaid taxes. The net income of Wei Hai may be materially and adversely affected if Wei Hai's tax liabilities increase or if it is subject to late payment fees or other penalties. As a result, the value of the Company's investment may be materially and adversely affected.

## **INSURANCE**

The Project Company is unable to purchase any insurance to cover the risks relating to the Structured Contracts due to the unavailability of such insurance product in the market.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the applicable percentage ratio(s) in respect of the Agreement is more than 5% but is less than 25%, the Agreement constitutes a discloseable transaction for the Company and is subject to the disclosure requirements under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“AGM”	the annual general meeting of the Company held on 17 March 2014
“Agreement”	the 關於廣東蔚海校園移動網絡有限公司的協議 (Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) dated 30 January 2015 and entered into between Ms.Ye and the Subsidiary
“CIETAC”	China International Economic and Trade Arbitration Commission
“Board”	the board of Directors
“Company”	Neo Telemedia Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on GEM (stock code: 8167)
“Completion”	the completion of the transactions as contemplated under the Agreement
“Completion Date”	any working day within 14 working days after all the conditions precedent for Completion having been satisfied or waived in writing, or any such other date as agreed by the Subsidiary and Ms.Ye
“Consideration”	consideration to be satisfied by the Subsidiary for the execution of the Structured Contracts under the Agreement
“Consideration Shares”	303,000,000 ordinary shares in the capital of the Company
“Director(s)”	the director(s) of the Company

“Exclusive Service Agreement”	《關於廣東蔚海校園移動網絡有限公司的獨家服務協議》(Exclusive Service Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) to be entered into between the Project Company and Wei Hai
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Government Agencies”	any competent government authorities, courts, or regulatory bodies of the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“MIIT”	the Ministry of Industry and Information Technology of the PRC ( 中華人民共和國工業和信息化部)
“Mr. Xu”	Mr. Xu Gang ( 徐崗)
“Ms. Ye”	Ms. Ye Weiping ( 葉偉平)
“NEO Mobile Network”	NEO Mobile Network Limited ( 中國新電信移動網絡有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Subsidiary
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Legal Advisor”	the PRC legal advisor appointed by the Project Company to prepare the Structured Contracts and advise the Project Company in relation to the Structured Contracts and on all relevant PRC laws
“Project Company”	中新賽爾(深圳)網絡科技有限公司 (Zhong Xin Sai Er (Shenzhen) Mobile Technology Company Limited*), a limited company established in the PRC and a wholly-owned subsidiary of NEO Mobile Network
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Spousal Declarations”	the Xu Spousal Declaration and the Ye Spousal Declaration
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Contracts”	collectively, the Exclusive Service Agreement, the Ye Equity & Voting Agreement, the Xu Equity & Voting Agreement, the Ye Equity Pledge Agreement, the Xu Equity Pledge Agreement, the Xu Spousal Declaration and the Ye Spousal Declaration
“Subscription Price”	HK\$0.33
“Subsidiary”	NEO Mobile Holdings Limited (中國新電信移動控股有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“VIE”	variable interest entity
“Wei Hai”	廣東蔚海校園移動網絡有限公司 (Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*), a limited company established in the PRC
“Wei Hai Profits”	the profits after tax of Wei Hai, as calculated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Wei Hai Year 2015 Financial Year”	the financial year of Wei Hai from 1 January 2015 to 31 December 2015
“Winding-up Petition”	the petition for winding up of the Company, being HCCW 288 of 2014, filed with the High Court of Hong Kong
“Xu Equity & Voting Agreement”	《關於廣東蔚海校園移動網絡有限公司的股權購買權及投票權協議》 (Equity Purchase Option & Voting Right Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) to be entered into among the Project Company, Mr. Xu and Wei Hai
“Xu Equity Pledge Agreement”	《關於廣東蔚海校園移動網絡有限公司的股權質押協議》 (Equity Pledge Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) to be entered into among the Project Company, Mr. Xu and Wei Hai
“Xu Spouse”	Ms. Yang Jintong (楊金潼)

“Xu Spousal Declaration”	配偶聲明 (Spousal Declaration*) to be signed by the Xu Spouse
“Ye Equity & Voting Agreement”	《關於廣東蔚海校園移動網絡有限公司的股權購買權及投票權協議》 (Equity Purchase Option & Voting Right Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) to be entered into among the Project Company, Ms.Ye and Wei Hai
“Ye Equity Pledge Agreement”	《關於廣東蔚海校園移動網絡有限公司的股權質押協議》 (Equity Pledge Agreement relating to Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) to be entered into among the Project Company, Ms.Ye and Wei Hai
“Ye Spouse”	Mr. Lie Tingfeng (列霆鋒)
“Ye Spousal Declaration”	配偶聲明 (Spousal Declaration*) to be signed by the Ye Spouse

By Order of the Board  
**NEO TELEMEDIA LIMITED**  
**CHEUNG Sing Tai**  
*Chairman*

Hong Kong, 30 January 2015

As at the date of this announcement, the Directors of the Company are:

*Executive Directors:*

Mr. CHEUNG Sing Tai (*Chairman and Chief Executive Officer*)

Mr. ZHANG Xinyu

Mr. LIAN Xin

*Independent non-executive Directors:*

Mr. LEUNG Ka Wo

Ms. XI Lina

Mr. CHOU Jianzhong

*This announcement, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcement” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at ([www.neo-telemedia.com](http://www.neo-telemedia.com)).*

\* Translation for identification purpose only