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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)

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF
THE ESTABLISHMENT OF SHENZHOU AEROSPACE
INSTITUTE
AND
RESUMPTION OF TRADING**

The Board announces that on 9 February 2015 (after trading hours), the Company entered into the Memorandum of Understanding with Shenzhen Aerospace and Chancheng District Government in relation to the establishment of Shenzhen Aerospace Institute. Further, the Parties have formed a committee to facilitate the establishment of the Shenzhen Aerospace Institute.

Save for certain legally binding obligations regarding confidentiality under the Memorandum of Understanding, the Memorandum of Understanding is not legally binding in respect of the establishment of Shenzhen Aerospace Institute. The terms of the Formal Agreement are yet to be determined.

The Board wishes to emphasise that no binding agreement in relation to the establishment of Shenzhen Aerospace Institute has been entered into as at the date of this announcement. As such, the establishment of the Shenzhen Aerospace Institute may or may not proceed.

Further announcement in respect of the establishment of Shenzhen Aerospace Institute will be made by the Company as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 5 February 2015 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 6 May 2015.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

The Board announces that on 9 February 2015 (after trading hours), the Company entered into the Memorandum of Understanding with Shenzhou Aerospace and Chancheng District Government in relation to the establishment of Shenzhou Aerospace Institute. Further, the Parties have formed a committee to facilitate the establishment of the Shenzhou Aerospace Institute.

MEMORANDUM OF UNDERSTANDING

Date

9 February 2015 (after trading hours)

Parties

- 1) Chancheng District Government;
- 2) Shenzhou Aerospace; and
- 3) the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shenzhou Aerospace and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Establishment of the Shenzhou Aerospace Institute

The Parties to the Memorandum of Understanding have agreed to establish the Shenzhou Aerospace Institute, an intelligent manufacturing technology related institute in Guangdong province, the PRC, the equity interest of which to be owned by each of the Parties are yet to be determined.

Purpose of the Shenzhou Aerospace Institute

The objective of Shenzhou Aerospace Institute is to, among others, (i) promote aerospace technology amongst the general public; (ii) expand the aerospace technology industry; and (iii) promote the manufacturing technology information within traditional manufacturing industry in the Foshan region by integrating aerospace related technology, for commercial use in the Pearl River Delta region with a focus on industrial information technology and

communication, intelligent manufacturing technology and the relevant manufacturing services. Further, depending on the development and progress of various projects, the Shenzhou Aerospace Institute may establish future joint venture companies with the Company.

Formation of the Council

It has been finally agreed by the Parties that the council of Shenzhou Aerospace Institute will consist of 9 members, three (3) of which shall be nominated by the Company; five (5) of which shall be nominated by Shenzhou Aerospace; and one (1) of which shall be nominated by Chancheng District Government.

Confidentiality

Save for having obtained written confirmation for disclosure of the information from the Parties, all information technology and information with respect to the Parties obtained by entering into the Memorandum of Understanding and the implementation thereof shall be kept confidential (except for information that is already available in the public domain).

INFORMATION ABOUT THE PARTIES

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, value-added telecommunication services and transmedia advertising services.

Shenzhou Aerospace is a subsidiary of China Aerospace Science and Technology Corporation engaged in the business of software, electronic platform for government and public utility, systems integration, and aerospace information technology.

Chancheng District Government is Chancheng District People's Government of Foshan Municipality.

GENERAL

Save for certain legally binding obligations regarding confidentiality under the Memorandum of Understanding, the Memorandum of Understanding is not legally binding in respect of the establishment of Shenzhou Aerospace Institute. The terms of the Formal Agreement are yet to be determined.

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Further announcement in respect of the establishment of Shenzhou Aerospace Institute will be made by the Company as and when appropriate.

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DEFINITIONS

“Board”	the board of Directors
“Chancheng District Government”	Chancheng District People’s Government of Foshan Municipality
“Company”	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement to be entered into among the Parties in relation to the establishment of Shenzhou Aerospace Institute
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Memorandum of Understanding”	the memorandum of understanding dated 9 February 2015 entered into among the Parties in accordance with the terms and conditions of the memorandum of understanding
“Parties”	collectively, the Company, Shenzhou Aerospace and the Foshan Government; and a Party shall be construed accordingly
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhou Aerospace”	神舟航天軟件有限公司 (Shenzhou Aerospace Software Limited*), a company incorporated in the PRC with a limited liability and is a subsidiary of 中國航天科技集團公司 (China Aerospace Science and Technology Corporation)
“Shenzhou Aerospace Institute”	神舟航天智能製造技術（廣東）研究院 (Shenzhou Aerospace Manufacturing Technology (Guangdong) Institute*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Neo Telemedia Limited
CHEUNG Sing Tai
Chairman

Hong Kong, 5 May 2015

** For identification purposes only*

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHEUNG Sing Tai (Chairman and Chief Executive Officer), Mr. ZHANG Xinyu and Mr. LIAN Xin, and three independent non-executive Directors, namely Mr. LEUNG Ka Wo, Mr. CHOU Jianzhong and Ms. XI Lina.

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 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 Announcements” page of the Growth Enterprise Market 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.