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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 IN RELATION TO  
THE ACQUISITION OF THE ENTIRE INTEREST IN  
HCH INVESTMENTS AND THE ISSUE OF CONSIDERATION SHARES  
AND CONVERTIBLE NOTE**

**THE ACQUISITION**

The Board is pleased to announce that on 7 January 2013 (after trading hours), the Company as purchaser entered into the Agreement with the Vendor and the Guarantor pursuant to which the Vendor conditionally agreed to sell to the Company the Sale Shares, representing the entire issued share capital of HCH Investments, at a total consideration of HK\$273,000,000.

The Consideration shall be satisfied by way of (i) cash in the amount of HK\$27,320,000; (ii) allotment and issue of 119,000,000 Consideration Shares at HK\$0.72 each at an aggregate value of HK\$85,680,000 and; (iii) issue of the Convertible Note in the principal amount of HK\$160,000,000 to the Vendor conferring rights to convert into the Conversion Shares at the conversion price of HK\$2.5 per Conversion Share. The Consideration Shares and Conversion Shares will be allotted and issued under the General Mandate.

## **GENERAL**

As the relevant percentage ratios under the GEM Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the announcement requirement under the GEM Listing Rules.

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares and the Conversion Shares.

## **INTRODUCTION**

The Board is pleased to announce that on 7 January 2013 (after trading hours), the Company as purchaser entered into the Agreement with the Vendor and the Guarantor pursuant to which the Vendor conditionally agreed to sell to the Company the Sale Shares, representing the entire issued share capital of HCH Investments, at a total consideration of HK\$273,000,000.

## **THE AGREEMENT**

### **1. Date of the Agreement**

7 January 2013

### **2. Parties to the Agreement**

- (A) The Company;
- (B) The Vendor; and
- (C) The Guarantor

The Vendor is a company established under the laws of the British Virgin Islands with limited liability. The principal activity of the Vendor is investment holding.

The Guarantor is a company established under the laws of State of Delaware, the United States, with limited liability. The Guarantor is the parent company of the Vendor and is principally engaged in investing activities. The Guarantor guarantees the punctual performance by the Vendor of all its obligations under the Agreement.

To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, the Guarantor, the Vendor and their ultimate beneficial owner(s) are Independent Third Parties.

### **3. Assets to be acquired**

Subject to the terms and conditions of the Agreement, the Company has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, comprising the entire issued shares of HCH Investments, free from encumbrance and together with all rights now or thereafter attached thereto on or after the Completion Date.

### **4. Consideration**

The consideration for the Acquisition is HK\$273,000,000 and will be satisfied by way of (i) cash in the amount of HK\$27,320,000; (ii) allotment and issue of 119,000,000 Consideration Shares at HK\$0.72 each at an aggregate value of HK\$85,680,000 and; (iii) issue of the Convertible Note in the principal amount of HK\$160,000,000 to the Vendor conferring rights to convert into the Conversion Shares at the conversion price of HK\$2.5 per Conversion Share. The terms of the Convertible Note are further described in the section headed “Principal Terms of the Convertible Note” below.

The consideration for the Acquisition was arrived at after arm’s length negotiation between the Vendor and the Company and was determined with reference to, including but not limited to, (i) the reasons for the Acquisition as mentioned in the section headed “Reasons for and Benefits of the Acquisition” below; and (ii) preliminary business valuation of the Target Group. The Directors consider that the consideration for the Acquisition is fair and reasonable and in the interests of the Group and of the Shareholders as a whole.

### **5. Conditions Precedent**

Completion of the Acquisition is conditional upon, amongst other things, satisfaction of the following conditions precedent:

- (A) if necessary, all approvals by the shareholders of the Vendor, the shareholders of HCH Investments, their respective holding company(ies), government and regulatory authorities (including but not limited to the Stock Exchange), corporate approvals and consents for the transactions contemplated under the Agreement being obtained; and if any of such shareholders’, governmental and regulatory and/or corporate approvals and consents are given subject to conditions, such conditions are reasonably acceptable to the Company;
- (B) the Company having completed the Due Diligence and having notified the Vendor that the Company is fully or substantially satisfied with the result of the Due Diligence;

- (C) in relation to the transactions contemplated in the Agreement, all relevant regulatory requirements (including but not limited to those under the GEM Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with and satisfied;
- (D) due execution of Hughes Agreements;
- (E) the warranties under the Agreement having remained true and accurate in all material respects;
- (F) each Target Company having duly performed and complied with all agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with by it on or before Completion;
- (G) no material adverse change or prospective material adverse change in the Target Group's business, operations, financial conditions or prospects has occurred since the date of signing of the Agreement;
- (H) the Company having obtained and being satisfied with:–
  - (1) the legal opinion issued by a qualified PRC law firm, confirming that the legal status and business nature of HughesNet WFOE and Beijing China Satcom and any other obligations and matters in respect of the transactions contemplated under the Agreement; and
  - (2) the legal opinion issued by a qualified British Virgin Islands law firm, confirming that the legal status and business nature of COSC and HCH Investments and any other obligations and matters in respect of the transactions contemplated under the Agreement; and
- (I) the Vendor having submitted the final version of the Disclosure Letter to the Company for approval and the Company having notified the Vendor that the final version of the Disclosure Letter is satisfactory.

The Company may at any time waive in writing any conditions precedent above (other than conditions (A) and (C)) and such waiver may be made subject to such terms and conditions as may be determined by the Company. Conditions (A) and (C) are not capable of being waived by the Company.

If the conditions precedent have not been fulfilled or waived by the Company on or before 3 months after the date of the Agreement (or such other date as agreed by the parties), the Agreement shall lapse, whereupon all rights and obligations of the parties to the Agreement shall cease to have effect except in respect of any accrued rights and obligations of such parties.

## **6. Completion**

Completion of the Acquisition will take place on the Completion Date or such other date as may be agreed by the Company and the Vendor. Upon Completion, HCH Investments will become a direct wholly-owned subsidiary of the Company and the financial information of the HCH Investments and its subsidiaries will be consolidated into the consolidated financial statements of the Company.

## THE CONSIDERATION SHARES

The issue price for each of the Consideration Shares is HK\$0.72 per Share, which has been determined by the parties with reference to the recent market price of the Share, representing:

- (i) a discount of approximately 10.00% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.09% to the average closing price of HK\$0.792 per Share for the last five consecutive trading days preceding the Last Trading Day;
- (iii) a discount of approximately 7.69% to the average closing price of HK\$0.78 per Share for the last ten consecutive trading days preceding the Last Trading Day; and
- (iv) a premium of approximately 173.76% over the audited consolidated net asset value per Share as at 30 June 2012 of approximately HK\$0.263 per Share (calculated by dividing the net asset value of the Company as at 30 June 2012 by the number of issued Shares as at the date of this announcement).

The Consideration Shares represent approximately 5.11% of the existing issued share capital, and approximately 4.87% of the enlarged issued share capital of the Company as enlarged by the issue of the Consideration Shares respectively.

## PRINCIPAL TERMS OF THE CONVERTIBLE NOTE

The terms of the Convertible Note have been negotiated on arm's length basis and the principal terms of which are summarised below:

|                  |   |  |
|------------------|---|--|
| Issuer           | : | The Company  |
| Principal amount | : | HK\$160,000,000  |
| Interest         | : | The Convertible Note will bear interest on the principal amount from and including the issue date of the Convertible Note at the rate of 7% per annum. |
| Maturity         | : | The business day falling on three years after the date of issue of the Convertible Note (the " <b>Maturity Date</b> ").                                |
| Conversion price | : | HK\$2.5 per Conversion Share (subject to adjustments)  |
| Transferability  | : | The Convertible Note shall not be transferable.  |

- Adjustment to conversion price : The conversion price of the Convertible Note subject to adjustment provisions which are standard terms for convertible securities of similar type. The adjustment events will arise as a result of certain change in the Shares including, inter alia, consolidation or sub-division of Shares, capitalisation issues and rights issues in accordance with the terms and conditions of the Convertible Note
- Conversion rights : The conversion rights under the Convertible Note can be exercised during the conversion period described below. Upon the exercise of any conversion rights under the Convertible Note, the Company will allot the number of Conversion Shares in respect of which conversion rights are exercised provided that no conversion right may be exercised, to the extent that following such exercise (i) a holder of the Convertible Note and parties acting in concert with it, taken together, will directly or indirectly, control or be interested in 25% or more of the entire issued Shares or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer, whichever is lower, or (ii) the Company will be in breach of the minimum public float requirement under the GEM Listing Rules.
- Conversion period : From the date immediately after the date of issue up to (but excluding) third Business Day before the Maturity Date (the “**Conversion Period**”)
- Redemption : The Convertible Note is not redeemable by the noteholder.
- The Company shall have the right to redeem any portion of the Convertible Note outstanding at an amount equals to the principal amount of the Convertible Note in its sole and absolute discretion at any time and from time to time prior to the Maturity Date by giving to the holder(s) of Convertible Note not less than 5 Business Days’ prior written notice.
- Conversion Shares : The Conversion Shares will rank pari passu in all respects with all existing Shares in issue on the date of allotment and issue of the Conversion Shares.
- Assuming that the Convertible Note are fully converted into Conversion Shares at the initial conversion price of HK\$2.5 per Conversion Share, a total of 64,000,000 Conversion Shares will be issued which represent approximately 2.75% of the issued share capital of the Company as at the date of this announcement and approximately 2.55 % of the issued share capital as enlarged by the issue of the Consideration Shares and Conversion Shares.

- Status of the Convertible Note : The Convertible Note constitutes a direct, general, unconditional and unsecured obligation of the Company and rank pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other mandatory provisions of applicable law exceptions) equally with all other present and/or future unsecured and unsubordinated obligations of the Company. No application will be made for the listing of the Convertible Note.
- Voting rights : The Convertible Note does not confer any voting rights at any meetings of the Company.

### **The Conversion Price**

The initial conversion price of HK\$2.5 per Conversion Share was determined after arm's length negotiations between the Company and the Vendor. The Conversion Price represents:

- (i) a premium of approximately 212.50% over the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 215.66% over the average closing price of HK\$0.792 per Share for the last five consecutive trading days preceding the Last Trading Day;
- (iii) a premium of approximately 220.51% over the average closing price of HK\$0.78 per Share for the last ten consecutive trading days preceding the Last Trading Day; and
- (iv) a premium of approximately 850.57% over the audited consolidated net asset value per Share as at 30 June 2012 of approximately HK\$0.263 per Share (calculated by dividing the net asset value of the Company as at 30 June 2012 by the number of issued Shares as at the date of this announcement).

### **GENERAL MANDATE**

The Consideration Shares and the Conversion Shares will be allotted and issued pursuant to the General Mandate. The Company will apply to the Stock Exchange for the approval of the listing of and permission to deal in the Consideration Shares and the Conversion Shares.

## CHANGES IN THE COMPANY'S SHAREHOLDING STRUCTURE

Assuming there being no further issue (other than the Consideration Shares and the Conversion Shares) or repurchase of Shares from the date of this announcement, the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon Completion (but without taking into account the exercise of any Convertible Note); and (iii) upon Completion (having taken into account the exercise in full of conversion rights attaching to the Convertible Note at the initial conversion price) are set out below:

|  | As at the date of this announcement |               | After completion of the Acquisition and the allotment and issue of the Consideration Shares (assuming no conversion of the Convertible Note) |               | After completion of the Acquisition and the allotment and issue of the Consideration Shares and assuming conversion in full of the Convertible Note |               |
|--|-------------------------------------|---------------|--|---------------|---|---------------|
|  | Number of Shares                    | Approximate % | Number of Shares   | Approximate % | Number of Shares  | Approximate % |
| Tread Up Investments Limited ( <i>Note</i> ) | 13,038,000                          | 0.56          | 13,038,000   | 0.53          | 13,038,000  | 0.52          |
| The Vendor                                   | –                                   | –             | 119,000,000  | 4.87          | 183,000,000   | 7.29          |
| Other public Shareholders                    | <u>2,313,882,793</u>                | <u>99.44</u>  | <u>2,313,882,793</u>   | <u>94.60</u>  | <u>2,313,882,793</u>  | <u>92.19</u>  |
| Total  | <u>2,326,920,793</u>                | <u>100.00</u> | <u>2,445,920,793</u>   | <u>100.00</u> | <u>2,509,920,793</u>  | <u>100.00</u> |

*Note:*

Tread Up Investments Limited was wholly-owned by Mr. LI Hongrong, who is a Director of the Company.

## INFORMATION ON THE VENDOR AND THE TARGET GROUP

### Information on the Vendor

The Vendor is a company established under the laws of the British Virgin Islands, with limited liability. The principal activity of the Vendor is investment holding.

### Information on the Guarantor

The Guarantor is a company established under the laws of the State of Delaware, the United States, with limited liability. The Guarantor is the parent company of the Vendor and is principally engaged in investment activities.

## **Information on the Target Group**

Based on the information available to the Company, the information of the Target Group is as follows:

### ***HCH Investments***

HCH Investments is an investment holding company incorporated in British Virgin Islands with limited liability and is wholly owned by the Vendor. As at the date of this announcement, HCH Investments has a few subsidiaries as shown in the sub-section headed “Shareholding structure of the Target Group” below.

### ***Hughes HK***

Hughes HK is incorporated in Hong Kong with limited liability and is wholly owned by HCH Investments as at the date of this announcement. Hughes HK and its associates are exclusively authorized to operate satellite communication business in the PRC, Hong Kong, Macau and Taiwan (collectively referred to as the “**Greater China Region**”) and provide broadband satellite communication services to enterprises, telecommunication carriers and civil government customers.

### ***Hughes UnifiedNet***

Hughes UnifiedNet is incorporated in Hong Kong with limited liability and is as to 45% by Hughes HK and as to 55% by China UnifiedNet Holdings Limited as at the date of this announcement. Hughes UnifiedNet and its associates are exclusively authorized to operate satellite communication business in the Greater China Region and provide broadband satellite communication services to enterprises, telecommunication carriers and civil government customers.

According to the information provided by the Vendor, China UnifiedNet Holdings Limited is a company incorporated in British Virgin Islands with limited liability and is wholly owned by Next-Generation Satellite Communications Limited, the issued shares of which are listed on the stock exchange of Singapore. To the best knowledge, information and belief of the Directors have made all reasonable enquiries, as at the date of this announcement, China UnifiedNet Holdings Limited and Next Generation Satellite Communications Limited are Independent Third Parties.

### ***COSC***

COSC is an investment holding company incorporated in British Virgin Islands with limited liability and is owned as to 33% by the HCH Investments and as to 67% by China Orient Telecom Satellite (Holdings) Limited. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, China Orient Telecom Satellite (Holdings) Limited and its beneficial owner(s) are Independent Third Parties. COSC is currently in negotiations with an experienced and dynamic satellite operator to build, launch and operate a Ka-Band satellite covering the Greater China Region.

### ***HughesNet WFOE***

HughesNet WFOE is a limited liability company established under the laws of the PRC and is a wholly foreign-owned enterprise. HughesNet WFOE is principally engaged in providing broadband satellite communications services to enterprise, telecom carrier and civil government customers.

## ***Beijing China Satcom***

Beijing China Satcom is a limited liability company established under the laws of the PRC and is wholly owned by three individuals who are Independent Third Parties. Beijing China Satcom is controlled by the Group through HughesNet WFOE by way of certain structured documents in relation to controlling the Beijing China Satcom by HughesNet WFOE. Beijing China Satcom is principally engaged in the business VSAT communications.

### **Financial Information on the Target Group**

Set out below is the unaudited financial information of Hughes HK and Hughes UnifiedNet and its subsidiaries (including HughesNet WFOE and Beijing China Satcom) for the two financial years ended 31 December 2010 and 2011 respectively:

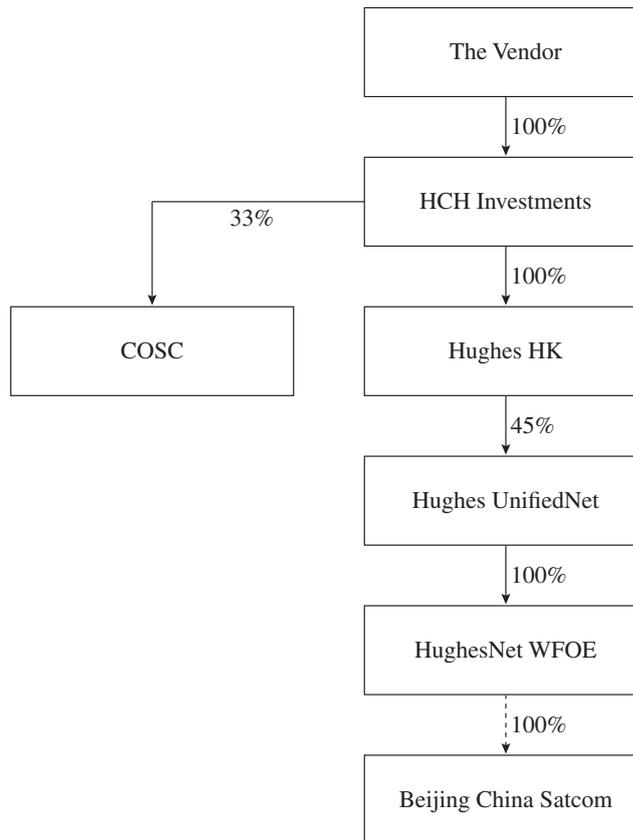
| <b>For the year ended 31 December</b> | <b>Hughes HK<br/>(Separate)</b>   |                                   | <b>Hughes UnifiedNet<br/>(Consolidated)</b> |                                   |
|---------------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|
|                                       | <b>2011</b>                       | <b>2010</b>                       | <b>2011</b>                                 | <b>2010</b>                       |
|                                       | <i>Approximately<br/>HK\$'000</i> | <i>Approximately<br/>HK\$'000</i> | <i>Approximately<br/>HK\$'000</i>           | <i>Approximately<br/>HK\$'000</i> |
| Revenue                               | –                                 | –                                 | 15,316                                      | –                                 |
| Loss before taxation                  | 80                                | 108                               | 5,874                                       | 2,269                             |
| Loss after taxation                   | 80                                | 108                               | 5,874                                       | 2,269                             |
| <b>As at 31 December</b>              |                                   |                                   |   |                                   |
| Total assets                          | 11,239                            | 11,280                            | 19,054                                      | 20,160                            |
| Total liabilities                     | 11,427                            | 11,388                            | 4,373                                       | 186                               |
| Net assets/(liabilities)              | (188)                             | (108)                             | 14,681                                      | 19,974                            |

Set out below is the unaudited financial information of COSC for the financial year ended 31 December 2011:

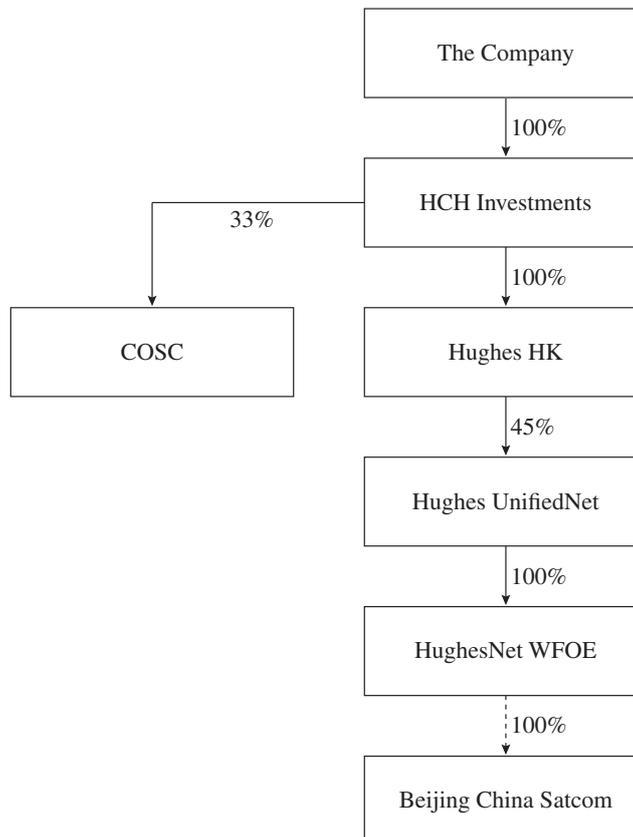
| <b>For the year ended 31 December</b> | <b>2011</b>                       |
|---------------------------------------|-----------------------------------|
|                                       | <i>Approximately<br/>HK\$'000</i> |
| Revenue                               | –                                 |
| Loss before taxation                  | 733                               |
| Loss after taxation                   | 733                               |
| <b>As at 31 December</b>              |                                   |
| Total assets                          | 4,680                             |
| Total liabilities                     | 5,412                             |
| Net liabilities                       | 732                               |

## Shareholding structure of the Target Group

### *Shareholding structure as at the date of this announcement*



### *Shareholding structure immediately after the Completion*



## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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

The Company completed an acquisition of a group of companies which is engaged in the business of research and development and sale of telecommunication products, electronic products and computer software and hardware in the PRC in July 2011. The Directors believe that this newly acquired business has much potential for growth in the PRC and the venturing into this business in the PRC is an important move of the Group to benefit from this fast growing sector.

As disclosed in the announcement of the Company dated 20 November 2012, the Company entered into a letter of intent with HCH Investments pursuant to which the Company intended to acquire and HCH Investments intended to sell the equity interest in COSC and the entire equity interest in Hughes HK. After further negotiation with HCH Investments, the Company decided to acquire the equity interests in COSC, Hughes HK and its respective subsidiaries by acquiring the entire equity interest in HCH Investments.

The Acquisition is an opportunity for the Group to further develop its newly acquired business and expand its customer base to telecommunication carriers and civil government customers. The Board considers that broadband satellite communication business will enhance the Company's existing development on the telecommunication value-added products and the Target Group will contribute to the consolidated cash flow and income of the Group following the Completion.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Acquisition is in line with the business plan of the Company and in the interests of the Company and the Shareholders as a whole and that the terms of the Agreement are fair and reasonable.

## **GENERAL**

As the relevant percentage ratios under the GEM Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the announcement requirement under the GEM Listing Rules.

## **DEFINITION**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|               |  |
|---------------|--|
| “Acquisition” | the proposed acquisition of the Sale Shares by the Company from the Vendor pursuant to the Agreement |
| “AGM”         | the annual general meeting of the Company held on 19 December 2012                                   |

|                          |  |
|--------------------------|--|
| “Agreement”              | the conditional agreement dated 7 January 2013 entered into among the Company and the Vendor and the Guarantor in relation to the Acquisition  |
| “Beijing China Satcom”   | Beijing China Satcom Unified Network System Technology Co., Ltd. (北京中衛匯通網絡系統技術有限公司), a limited liability company established under the laws of the PRC and is wholly owned by three individuals who are Independent Third Parties    |
| “Board”                  | board of Directors   |
| “Business Day(s)”        | any day(s) (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hour  |
| “Company”                | Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM (Stock code: 8167)   |
| “Completion”             | completion of the Agreement  |
| “Completion Date”        | the date falling within seven Business Days following the day on which all the conditions precedent of the Agreement are satisfied in full or waived (as the case may be) or such other date as the Vendor and the Company may agree |
| “connected person(s)”    | has the meaning ascribed to it under the GEM Listing Rules   |
| “Consideration”          | the total consideration of HK\$273,000,000 payable by the Company under the Agreement  |
| “Consideration Share(s)” | 119,000,000 new Shares that will be allotted and issued by the Company at the issue price of HK\$0.72 per Share as partial Consideration   |
| “Conversion Shares”      | 64,000,000 new ordinary Shares at a par value of HK\$0.1 each in the share capital of the Company, which may be issued upon the exercise of the conversion rights attached to the Convertible Note                                   |
| “Convertible Note”       | the Convertible Note with principal amount of HK\$160,000,000 with an interest at the rate of 7% per annum as partial Consideration  |

|                     |  |
|---------------------|--|
| “COSC”              | China Orient Space Communications Limited, a company incorporated in British Virgin Islands with limited liability and is owned as to 33% by HCH Investments and as to 67% by China Orient Telecom Satellite (Holdings) Limited  |
| “Director(s)”       | the director(s) of the Company   |
| “Disclosure Letter” | means a letter described as such, together with a bundle of documents referred thereto, to be prepared by the Vendor in approved form and delivered to the Company   |
| “Due Diligence”     | means the due diligence investigation to be carried out by the Company on the business, assets, liabilities and financial position of the Target Group pursuant to the Agreement   |
| “GEM”               | the Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM   |
| “General Mandate”   | the general mandate granted to the Directors by the resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares and to make or grant offers, agreements and options which may require Shares to be issued, allotted or dealt with, which is subject to the limit of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM |
| “Group”             | the Company and its subsidiaries   |
| “Guarantor”         | Oberlin Asia Fund LLC, a company established under the laws of the State of Delawares, the United States, with limited liability   |
| “HCH Investments”   | HCH Investments Limited, a company incorporated in British Virgin Islands with limited liability and is wholly owned by the Vendor   |
| “Hong Kong”         | the Hong Kong Special Administrative Region of the PRC   |
| “Hughes”            | Hughes Network Systems LLC, a company incorporated in Delaware, the United States  |

|                                |  |
|--------------------------------|--|
| “Hughes Agreements”            | means, <i>inter alia</i> <ul style="list-style-type: none"> <li>(i) an amended and restated agreement for the sale and purchase of shares in HCH dated 28 December 2012 entered into between Hughes and HCH Investments;</li> <li>(ii) a second amended and restated contract dated 28 December 2012 entered into among Hughes, HughesNet WFOE, HCH, HCH Investments and CESTAR Holding Limited for the purchase and sale of satellite communications equipment and related services; and</li> <li>(iii) a second amended and restated trademark license agreement dated 28 December 2012 entered into among Hughes, HUH, HughesNet WFOE, HCH, the Company and CESTAR Holding Limited</li> </ul> |
| “Hughes HK” or “HCH”           | Hughes China Holdings Company Limited, a company incorporated in Hong Kong with limited liability and wholly owned by HCH Investments  |
| “Hughes UnifiedNet” or “HUH”   | Hughes UnifiedNet Holding (China) Company Limited, a company incorporated in Hong Kong with limited liability and owned as to 45% by Hughes HK and as to 55% by China UnifiedNet Holdings Limited  |
| “HughesNet WFOE”               | HughesNet China Company Limited ( 休斯網絡技術(北京)有限公司 ), a limited liability company established under the laws of the PRC and is a wholly foreign-owned enterprise   |
| “Independent Third Party(ies)” | (a) party(ies) who is(are) not connected person(s) of the Company and who together with its(their) ultimate beneficial owner(s) are independent of the Company and connected persons of the Company  |
| “Last Trading Day”             | 7 January 2013, being the last day of trading of the Shares on the Stock Exchange before the publication of this announcement  |
| “PRC”                          | The People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan   |
| “Sale Shares”                  | 100 shares of par value US\$1 in the capital of HCH Investments, representing the entire issued share capital of HCH Investments as at the date of the Agreement and at Completion   |

|                  |  |
|------------------|--|
| “Share(s)”       | ordinary share of HK\$0.1 each in the issued share capital of the Company                                    |
| “Shareholder(s)” | Shareholder(s) of the Company  |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Target Group”   | means HCH Investments, Hughes HK, COSC, Hughes UnifiedNet, HughesNet WFOE and Beijing China Satcom           |
| “United States”  | the United States of America   |
| “Vendor”         | Oberlin Asia Inc, a company established under the laws of the British Virgin Islands, with limited liability |
| “HK\$”           | Hong Kong dollars, the lawful currency of Hong Kong  |
| “US\$”           | United States dollars, the lawful currency of the United States  |
| “%”              | per cent.  |

By order of the Board  
**Neo Telemedia Limited**  
**LI Hongrong**  
*Chairman*

Hong Kong, 7 January 2013

*As at the date hereof, the Board is comprised of four executive directors namely Mr. LI Hongrong (Chairman), Mr. Theo EDE, Mr. HU Yangjun and Mr. ZHANG Xinyu (Chief Executive Officer); and three independent non-executive directors, namely Mr. LAM Kin Kau, Mark, Professor SONG Junde and Professor CHEN Lujun.*

*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; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://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](http://www.neo-telemedia.com).*