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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

THE ACQUISITION

The Board is pleased to announce that on 15 June 2015 (after trading hours), 廣東蔚海移動發展有限公司 (Guangdong Wei Hai Mobile Development Company Limited*), a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest, representing 43% of the entire equity interest of the Target Company at a consideration of RMB2,764,717 (or equivalent to approximately HK\$3,455,896) and the Purchaser shall be required to contribute an additional amount of RMB18,500,000 (equivalent to approximately HK\$23,125,000) as capital contribution to the Target Company.

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 and is subject to the announcement requirement under the GEM Listing Rules.

The Board is pleased to announce that on 15 June 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest, representing 43% of the entire equity interest of the Target Company at a consideration of RMB2,764,717 (equivalent to approximately HK\$3,455,896) and the Purchaser shall be required to contribute an additional amount of RMB18,500,000 (equivalent to approximately HK\$23,125,000) as capital contribution to the Target Company.

THE AGREEMENT

1. Date of the Agreement

15 June 2015

2. Parties to the Agreement

(A) The Purchaser, a wholly-owned subsidiary of the Company; and

(B) The Vendor

To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

3. Assets to be acquired

Subject to the terms of the Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Interest, comprising 43% of the entire equity interest of the Target Company, free from encumbrance.

4. Consideration and Capital Contribution

The Consideration for the Acquisition of RMB2,764,717 (equivalent to approximately HK\$3,455,896) payable to the Vendor will be satisfied by way of cash within 3 days after the date of the Agreement and the Purchaser shall be required to contribute an additional amount of RMB18,500,000 (equivalent to approximately HK\$23,125,000) as the Capital Contribution to the Target Company.

The Consideration for the Acquisition was arrived at after arm's length negotiation between the Vendor and the Purchaser and was determined with reference to, including but not limited to, (i) the registered capital of the Target Company of RMB50,000,000 (equivalent to approximately HK\$62,500,000); (ii) the capital contribution to the Target Company of RMB3,000,000 (equivalent to approximately HK\$3,750,000) paid by the Vendor prior to the date of the Agreement; and (iii) the reasons for the Acquisition as mentioned in the section headed "Reasons for and benefits of the Acquisition" below. 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.

The Consideration and the Capital Contribution are expected to be funded by the internal resources of the Group.

5. Completion

Completion of the Acquisition will take place upon completion of the registration of the transfer of the Sale Interest by the relevant regulatory body in the PRC.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

Information on the Vendor

To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties. The Vendor is a company established in the PRC and is principally engaged in the manufacture and sales of crude corn oil, oil production machineries, corn processing machineries, lightweight vehicles for transporting oil products and aluminium alloy industrial materials.

Information on the Target Company

The Target Company is a company established under the PRC and is owned as to 60% by the Vendor and as to 40% by an Independent Third Party as at the date of the Agreement. Based on the information available to the Company, the Target Company is a limited liability company established under the laws of the PRC in 2014. The Target Company is principally engaged in the design, manufacture and sale of logistics equipment, such as containers, road transportation vehicles and emergency rescue equipment, and the provision of relevant technical advisory services.

The registered capital of the Target Company is RMB50,000,000, which shall be contributed by the shareholders according to their respective equity interest in the Target Company, and as to 43% (equivalent to RMB21,500,000) by the Purchaser upon Completion and as to 57% by the other shareholders of the Target Company. All capital contribution shall be contributed in cash. As at the date of the Agreement, the capital investment of RMB3,000,000 (equivalent to approximately HK\$3,750,000) was contributed to the Target Company by the Vendor.

The board of directors of the Target Company shall consist of five (5) directors, three (3) of which shall be nominated by the 43% equity owner, being the Purchaser upon Completion, and two (2) of which shall be nominated by the remaining shareholders of the Target Company.

The Target Company was newly established on 25 November 2014 and has not commenced business.

Financial Information on the Target Company

Set out below is the audited financial information of the Target Company for the period from the date of incorporation to 10 June 2015:

	From the date of incorporation to 10 June 2015
	Approximately RMB
Loss before taxation	547,170
Loss after taxation	547,170

REASONS FOR AND BENEFITS OF THE ACQUISITION

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 service, and the operation of peer to peer (P2P) lending platform business.

The Purchaser is a limited company established in the PRC on 19 March 2014. Upon completion of the acquisition of the Purchaser as disclosed in the announcement of the Company dated 1 April 2015, the Purchaser became an indirect wholly-owned subsidiary of the Company. The Purchaser is currently principally engaged in the provision of WiFi services, online picture services, and online advertising.

The Directors consider that the Acquisition enables the Group to capture high growth opportunity in intelligent logistics equipment.

As the Group looks to acquire businesses to develop its current network and services, particularly the application of aerospace related technology in traditional manufacturing industry, the Board believes that the Acquisition represents a unique opportunity to diversify the Group's investments, through manufacturing facilities of logistics equipment in which aerospace related technology can be applied.

The Acquisition represents another milestone in the development of the Group and the Board believes that it will be accretive to the shareholders of the Company upon 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 and are 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 Interest by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the agreement dated 15 June 2015 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	board of Directors
“Capital Contribution”	the additional amount of RMB18,500,0000 (equivalent to approximately HK\$23,125,000) to be contributed by the Purchaser after Completion
“Company”	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration of RMB2,764,717 (or equivalent to approximately HK\$3,455,896) payable by the Purchaser to the Vendor under the Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	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 its connected person(s)

“PRC”	The People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	廣東蔚海移動發展有限公司 (Guangdong Wei Hai Mobile Development Company Limited*), formerly known as 廣東蔚海校園移動網絡有限公司 (Guangdong Wei Hai Mobile Network Company Limited*), a company established in the PRC and is an indirect wholly owned subsidiary of the Company
“Sale Interest”	43% equity interest in the capital of the Target Company as at the date of the Agreement and at Completion
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 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 Company”	中集物流裝備有限公司 (CNCC Logistics Equipment Co., Ltd*), a company established under the laws of the PRC and is owned as to approximately 60% by the Vendor and as to 40% by an Independent Third Party as at the date of the Agreement
“Vendor”	山東三星集團有限公司 (Shandong Sanxing Group Co., Ltd.*) , an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For illustration only, amounts in RMB have been translated into HK\$ at the exchange rate of RMB1 = HK\$1.25.

**Translation of name for identification purpose only*

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

Hong Kong, 15 June 2015

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

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.