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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
FORMATION OF A JOINT VENTURE COMPANY

The Board is pleased to announce that on 31 July 2015 (after trading hours), Zhongxin Lianrong entered into the Agreement with Ningbo Yiren, Guangdong Xuanfeng and Mr. Fu in relation to the establishment of the JV Company. The JV Company will be principally engaged in provision of financial services and will be located in Qianhai Shenzhen-Hong Kong Cooperation Zone in Shenzhen, Guangdong Province.

Pursuant to the Agreement, the registered capital of the JV Company shall be RMB30,000,000, which will be contributed as to RMB13,500,000 by Zhongxin Lianrong, RMB4,500,000 by Ningbo Yiren, RMB7,500,000 by Guangdong Xuanfeng and RMB4,500,000 by Mr. Fu, representing 45%, 15%, 25% and 15% of the total registered capital of the JV Company respectively.

GEM LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios under the GEM Listing Rules in respect of the formation of the JV Company exceeds 5% but is less than 25%, the formation of the JV Company constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

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The principal terms of the Agreement are set out below:

THE AGREEMENT

Date

31 July 2015

Parties

- (1) Zhongxin Lianrong;
- (2) Ningbo Yiren;
- (3) Guangdong Xuanfeng; and
- (4) Mr. Fu

collectively, the “Parties”.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Ningbo Yiren and Guangdong Xuanfeng and their respective ultimate beneficial owners, and Mr. Fu are Independent Third Parties.

Formation of the JV Company

Pursuant to the Agreement, the Parties agreed to set up the JV Company in Qianhai Shenzhen-Hong Kong Cooperation Zone in Shenzhen, Guangdong Province. The JV Company will be principally engaged in provision of financial and business related services including the following aspects:

- (1) financial agency services based on the Internet technologies upon approval by governmental authorities, if necessary;
- (2) technology services, consultancy, development, transfer, investment management and consultancy in respect of financial information software;
- (3) corporate management consultancy;
- (4) business information;
- (5) online trading; and
- (6) sale of financial equipment and accessories.

Total investment and capital contribution

The total investment into the JV Company under the Agreement is RMB30,000,000 which will be contributed by the Parties in the form of registered capital of the JV Company. Pursuant to the Agreement, the registered capital of the JV Company shall be RMB30,000,000, which will be contributed as to RMB13,500,000 by Zhongxin Lianrong, RMB4,500,000 by Ningbo Yiren, RMB7,500,000 by Guangdong Xuanfeng and

RMB4,500,000 by Mr. Fu, representing 45%, 15%, 25% and 15% of the total registered capital of the JV Company respectively. Upon the establishment of the JV Company, Zhongxin Lianrong, Ningbo Yiren, Guangdong Xuanfeng and Mr. Fu will be entitled to share the profit and liabilities of the JV Company in proportion to their respective capital contribution in the JV Company.

The initial capital contribution by each of the Parties shall be paid up before 31 July 2015, with RMB4.05 million from Zhongxin Lianrong, RMB1.35 million from Ningbo Yiren, RMB2.25 million from Guangdong Xuanfeng and RMB1.35 million from Mr. Fu. The remaining investment from each party should be fully paid up on or before 14 July 2035.

The capital contribution from Zhongxin Lianrong will be funded by internal resources of the Group.

Conditions

The establishment of the JV Company is subject to obtaining all required approval, license, permit or authorization by relative authorities.

Board of directors of the JV Company

The board of directors of the JV Company will comprise of five (5) directors. Zhongxin Lianrong will nominate three (3) directors including the chairman of the board of directors, Guangdong Xuanfeng will nominate one (1) director and Mr. Fu will nominate one (1) director. The chairman of the board of directors of the JV Company will be the legal representative of the JV Company.

As Zhongxin Lianrong will control the board of the JV Company, Zhongxin Lianrong will have the power to govern the financial and operating policies of the JV Company. The JV Company will be treated as an indirect non-wholly owned subsidiary of the Company and its financial information will be consolidated into the consolidated financial statements of the Group.

INFORMATION OF THE JV COMPANY

The Agreement was signed on 31 July 2015 and pursuant to which the JV Company is contemplated to be incorporated. There is no financial information of the JV Company in respect thereof available as at the date of this announcement.

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

Zhongxin Lianrong is a company established in the PRC with registered scope of business including technology services, consultancy, development and transfer in respect of financial

information software, financial information technology outsourcing services and agency services, investment management and consultancy, corporate management and consultancy, business consultancy, e-commerce and sale of financial equipment and accessories.

Ningbo Yiren is company established in the PRC and is principally engaged in financial services including IPO, investment and financing and M&A.

Guangdong Xuanfeng is a company established in the PRC and is principally engaged in assets management, corporate management, consultancy, investment holding and microfinance.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The period from year 2013 to 2015 has been a rapid growth stage for internet finance. With the entry of formal platforms operated by listed companies, state-owned assets and banks, the industry of internet finance has been more and more regulated with a complete ecology system. After three years of high speed development, internet finance has stepped into an in-depth development stage. As the demand for simple internet-enabled assets has become saturated, the mode of Finance to Finance (F2F) and securitized assets have drawn highly attention of the market and industry.

The Group has always been looking for new business to expand its current business network and services. Following the step into the field of big data and cloud computing by acquisition of the entire share capital of Guangdong Bluesea Mobile Development Ltd. Co.* (廣東蔚海移動發展有限公司) and the establishment of a joint venture by Guangdong Bluesea Technology Development Company Limited* (廣東蔚海科技發展有限公司) with Shandong Inspur group, the Company has continued to further develop in Internet finance. The JV Company will enter the internet finance industry by providing consumer finance and further strive to develop in areas of big data finance, cloud finance, logistics finance and to gradually establish the Finance to Finance (F2F) mode and a mass assets trading platform on which assets are securitized upon good control of risks of assets.

The JV Company will be operated by an energetic team. The perfect combination of the Internet finance and existing business of the Group, especially the cross-border e-commerce and the CNCC Logistics Equipment services, shall activate more potential customers which shall consequently improve the competitive status of the Group in the market and its service capacity. Furthermore, the establishment of the JV Company has created a close loop of business of the Group and will contribute to broadening the revenue stream of the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that entering into the Agreement 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 on normal commercial term and are fair and reasonable.

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DEFINITIONS

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

“Agreement”	the agreement dated 31 July 2015 entered into between the Parties in relation to the establishment of the JV Company
“Board”	board of Directors
“Company”	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“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
“Guangdong Xuanfeng”	廣東炫蜂家族投資合夥企業 (Guangdong Xuanfeng Family Investment LLP*), a limited partnership established in the PRC
“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)
“JV Company”	深圳市蜜蜂金服互聯網金融服務有限公司 (Shenzhen Mifeng Jinfu Internet Financial Services Company Limited*), a company contemplated to be established in the PRC and is owned as to 45%, 15%, 25% and 15% by Zhongxin Lianrong, Ningbo Yiren, Guangdong Xuanfeng and Mr. Fu
“Mr. Fu	Mr. Fu Zhe
“Ningbo Yiren”	寧波億人金融服務外包有限公司 (Ningbo Yiren Financial Outsourcing Services Company Limited*), a company established in the PRC
“PRC”	The People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Zhongxin Lianrong”	中新聯融（深圳）信息服務有限公司 (Zhongxin Lianrong (Shenzhen) Information Services Company Limited*), a company established in the PRC and is an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 31 July 2015

**for identification purpose only*

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 Mr. XU Gang, 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 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 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.