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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)

CONNECTED TRANSACTION
ACQUISITION OF PROPERTIES

PROPERTIES ACQUISITION

The Board is pleased to announce that on 8 April 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Property Acquisition Agreements, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at the Aggregate Consideration of RMB62,020,620 (equivalent to approximately HK\$74,424,744).

GEM LISTING RULES IMPLICATIONS

As at the date of the Property Acquisition Agreements, the Vendor is substantially owned by Mr. Lie. As Mr. Lie is a substantial shareholder of the Company, the Vendor, being an associate of Mr. Lie, is therefore a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under the Property Acquisition Agreements constitute a connected transaction of the Company under the GEM Listing Rules.

Given that the relevant applicable percentage ratios in respect of the Property Acquisition Agreements are less than 5%, the Property Acquisition Agreements are only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under the GEM Listing Rules.

PROPERTY ACQUISITION AGREEMENTS

Date

8 April 2016

Parties

Purchaser : 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Company Limited*)

Vendor : 佛山源海發展有限公司 (Foshan Yuanhai Development Limited*)

Assets to be acquired

The Properties, being collectively the ten office units (room 1403, room 1404, room 1501, room 1502, room 1503, room 1504, room 1601, room 1602, room 1603 and room 1604 of Block 3), are located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC. The gross floor area of each of the ten office units is approximately 709.53 sq. m., 682.97 sq. m., 698.38 sq. m., 658.46 sq. m., 709.53 sq. m., 682.97 sq. m., 698.38 sq. m., 658.46 sq. m., 709.53 sq. m. and 682.97 sq. m. respectively. The building located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC, including the Properties, will be used as for commercial purpose.

Consideration and payment

Pursuant to the terms of the Property Acquisition Agreements, the Vendor agreed to sell and the Purchaser agreed to purchase the Properties at the Aggregate Consideration of RMB62,020,620 (equivalent to approximately HK\$74,424,744), which shall be satisfied by cash in the following manner:

- (i) RMB37,212,372 (equivalent to approximately HK\$44,654,846.40), being 60% of the Aggregated Consideration shall be paid before 12 April 2016;
- (ii) RMB21,707,217 (equivalent to approximately HK\$26,048,660.40), being 35% of the Aggregated Consideration shall be paid before 20 April 2016; and
- (iii) RMB3,101,031 (equivalent to approximately HK\$3,721,237.20), being 5% of the Aggregate Consideration shall be paid upon the Purchaser obtaining the property ownership certificates.

The Group will finance the payment for the Properties Acquisition by its internal resources.

The Aggregate Consideration and the consideration of each of the Property Acquisition Agreements were determined after arm's length negotiations by the parties and on normal commercial terms with reference to the prevailing market price of similar types of properties, all of which are located at the proximity of the Properties in Chan Cheng District, Foshan, the PRC. The Directors consider that the Aggregate Consideration is fair and reasonable having taken into account the prevailing market price of similar properties in similar locations.

Completion

The Properties Acquisition shall be completed upon the Vendor obtaining the occupation approval of the Properties from the relevant PRC Government authorities, but in any event no later than 1 May 2016.

REASONS AND BENEFITS FOR THE PROPERTIES ACQUISITION

The Purchaser is currently leasing premises for office in the PRC. The Board considers that the Properties Acquisition represent a good opportunity for the Purchaser to purchase premises in the PRC with suitable location as its permanent office in the PRC.

After completion of the Properties Acquisition, the Properties will be self-occupied by the Group for office purpose.

The Directors (including the independent non-executive Directors) are of the view that the Properties Acquisition (i) have been negotiated on an arm's length basis; (ii) have been conducted and will be conducted on normal commercial terms, or on terms no less favourable than those available to or from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other transaction entered into between any member of the Group and the Vendor and its ultimate beneficial owner(s) or otherwise related, which would be, together with the Properties Acquisition, aggregated under Rule 20.79 of the GEM Listing Rules.

INFORMATION ON THE PARTIES

The Company is principally engaged in 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.

The Vendor is principally engaged in (i) the investment, construction and asset management of industrial district; (ii) the investment, development and asset management of real estate; (iii) the development and sales of computer hardware; (iv) the provision of computer network services; and (v) trading within PRC.

The Vendor is substantially owned by Mr. Lie and the minority shareholders of the Vendor are third parties independent of and not connected with the Company and its connected persons.

GEM LISTING RULES IMPLICATIONS

As at the date of the Property Acquisition Agreements, the Vendor is substantially owned by Mr. Lie. Since Mr. Lie is a substantial shareholder of the Company, the Vendor, being an associate of Mr. Lie, is therefore a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under the Property Acquisition Agreements constitute a connected transaction of the Company under the GEM Listing Rules.

Given that the relevant applicable percentage ratios in respect of the Property Acquisition Agreements are less than 5%, the Property Acquisition Agreements are only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under the GEM Listing Rules.

No Directors have a material interest in the Properties Acquisition and need to abstain from voting on the relevant resolution(s) in the Board meeting to approve the Property Acquisition Agreements.

DEFINITIONS

“Aggregate Consideration”	being the aggregate purchase price of the Properties under the Property Acquisition Agreements
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the 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 the GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the board of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Mr. Lie”	Mr. Lie Haiquan, a substantial shareholder of the Company
“PRC”	The People’s Republic of China which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of PRC and Taiwan
“Properties”	The ten office units, namely room 1403, room 1404, room 1501, room 1502, room 1503, room 1504, room 1601, room 1602, room 1603 and room 1604 of Block 3, located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC
“Properties Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor as contemplated under the Property Acquisition Agreements
“Property Acquisition Agreements”	the ten sales and purchase agreements all dated 8 April 2016 and entered into between the Purchaser and the Vendor in relation to the purchase of the Properties
“Purchaser”	廣東蔚海移動發展有限公司(Guangdong Bluesea Mobile Development Company Limited*), a company established in the PRC with limited liability, being a wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Vendor “	佛山源海發展有限公司 (Foshan Yuanhai Development Limited*), a company established in the PRC with limited liability
“%”	per cent

For illustration purpose of this announcement, exchange rate of RMB1=HK\$1.2 has been adopted.

** For identification purpose*

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

Hong Kong, 8 April 2016

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. XU Gang, and three independent non-executive Directors, namely Mr. LEUNG Ka Wo, 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.