

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**MAJOR TRANSACTION –  
DISPOSAL OF THE ENTIRE EQUITY INTEREST  
IN A SUBSIDIARY OF THE COMPANY**

**THE DISPOSAL**

On 10 March 2022 (after trading hours), the Purchaser, GDS (Shanghai), EDSUZ, the Vendor, Bluesea Mobile, Mr. Wang and the Target Company entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Equity Interest (representing the entire equity interest of the Target Company) at a total consideration of approximately RMB475.5 million (equivalent to approximately HK\$589.6 million) (subject to Completion Adjustment). Bluesea Mobile and Mr. Wang agreed to provide warranties and undertakings in relation to the Target Company under the Sale and Purchase Agreement and EDSUZ and GDS (Shanghai) agreed to guarantee the payment obligations of the Purchaser under the Sale and Purchase Agreement.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated in the Group's consolidated financial statements.

**GEM LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, circular and shareholders' approval requirements under the GEM Listing Rules.

## SHAREHOLDERS' WRITTEN APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders had a material interest in the Disposal and as such, no Shareholder was required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, (i) Dr. Lie beneficially and through Winner Mind and Golden Ocean in aggregate held 4,364,299,357 Shares; (ii) Mr. Yan beneficially held 504,832,000 Shares; and (iii) Ms. Wong (spouse of Mr. Yan) beneficially held 106,702,000 Shares. Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong together beneficially held 4,975,833,357 Shares, representing approximately 52.25% of the entire issued share capital of the Company.

Written approval of the Disposal has been obtained from Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong. Pursuant to Rule 19.44 of the GEM Listing Rules, such written approval may be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

## DESPATCH OF CIRCULAR

A circular containing, among other things, details of the Disposal and other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 31 March 2022.

**Shareholders and potential investors of the Company should be aware that the Disposal is subject to a number of conditions being satisfied, and consequently the Disposal may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.**

## THE DISPOSAL

On 27 October 2021, GDS (Shanghai), the Vendor, Bluesea Mobile, Mr. Wang and the Target Company entered into a Letter of Intent in respect of the possible disposal of the Target Company. Pursuant to the Letter of Intent, GDS (Shanghai) paid the Security Deposit in the amount of RMB19 million.

On 10 March 2022 (after trading hours), the Purchaser, GDS (Shanghai), EDSUZ, the Vendor, Bluesea Mobile, Mr. Wang and the Target Company entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Equity Interest (representing the entire equity interest of the Target Company) at a total consideration of approximately RMB475.5 million (equivalent to approximately HK\$589.6 million) (subject to Completion Adjustment). Bluesea Mobile and Mr. Wang agreed to provide warranties and undertakings in relation to the Target Company under the Sale and Purchase Agreement and EDSUZ and GDS (Shanghai) agreed to guarantee the payment obligations of the Purchaser under the Sale and Purchase Agreement.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated in the Group's consolidated financial statements.

### **The Sale and Purchase Agreement**

The principal terms of the Sale and Purchase Agreement are as follows:

Date	:	10 March 2022 (after trading hours)
Parties	:	(1) the Purchaser; (2) GDS (Shanghai); (3) EDSUZ; (4) the Vendor; (5) Bluesea Mobile; (6) Mr. Wang; and (7) the Target Company.
Assets to be disposed of	:	Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Equity Interest (representing the entire equity interest of the Target Company). The Target Company was the holding company of the Data Centre Project.
Consideration and Completion Adjustment	:	The Consideration is approximately RMB475.5 million (equivalent to approximately HK\$589.6 million).  The Purchaser or an auditor being appointed by the Purchaser shall verify (i) the actual total liabilities of the Target Company; (ii) total accounts receivable of the Target Company; and (iii) the actual costs of Improvement Works, as at the date of Completion. Once the Vendor agrees to the verified amounts, the Consideration shall be adjusted based on the difference between the amounts of the above items as verified by the Purchaser or the auditor and the amounts of these items as at 31 December 2021 as disclosed in the paragraph headed "Basis of determination of the Consideration" below.

- Payment manner : The Consideration shall be paid by the Purchaser to the Vendor in the following manner:
- (a) within 10 business days after the Vendor confirms to the Purchaser that all the conditions precedent except condition (17) below are fulfilled, the Purchaser or GDS Services shall issue to the Vendor the Performance Guarantee;
  - (b) within five business days after the Performance Guarantee is issued to the Vendor, the Vendor shall cooperate with the Purchaser to fulfil condition (17) below. Subject to the fulfilment of all the conditions precedent and completion of the Completion Adjustment, within 15 business days after the Completion Date, the Purchaser shall pay RMB285 million (equivalent to approximately HK\$353.4 million) to the Vendor by bank transfer;
  - (c) subject to completion of the obligations under paragraph (b) above, within 15 business days after (i) the electricity supply proposal for the Data Centre Phase Two having been approved; (ii) the Target Company having signed and registered the supplemental tenancy agreement for the leasing of additional outdoor space for facility storage purpose of the Data Centre Project and the installation of the facilities having been completed; and (iii) the Completion Date (whichever is later), the Purchaser shall pay RMB100 million (equivalent to approximately HK\$124 million) to the Vendor by bank transfer;

- (d) subject to completion of the obligations under paragraph (c) above, within 15 business days after (i) the Target Company having completed the procedures regarding electricity supply for the Data Centre Phase Two and the signing of the electricity supply agreement in relation thereto which shall be on or before 31 July 2022; (ii) the Target Company having completed the Improvement Works by 31 July 2022; and (iii) construction of the Data Centre Project having been completed and accepted on or before 31 July 2022 (whichever is later), the Purchaser shall pay the remaining balance of the Consideration after the payments under paragraphs (b) and (c) above, to the Vendor by bank transfer. If the conditions under this paragraph has not been fulfilled by 31 December 2023, the Purchaser shall have no obligation to pay the remaining balance of the Consideration. However, if the non-fulfilment of the conditions under this paragraph is solely caused by the Purchaser intentionally procuring the Target Company not to perform the obligations under the relevant contracts reasonably signed by the Target Company, the Purchaser shall within 15 business days after 31 December 2023 pay the remaining balance of the Consideration to the Vendor; and
- (e) subject to completion of the obligations under paragraph (d) above, within five business days after (i) the Purchaser pays the remaining balance of the Consideration; (ii) 31 December 2023; or (iii) within 12 months after the date of issue of the Performance Guarantee (whichever is earlier), the Vendor shall return the Performance Guarantee to the Purchaser for release.

Subject to completion of the obligations under paragraph (b) above, within 20 business days after the Purchaser pays the first payment of the Consideration under paragraph (b) above, the Purchaser shall procure the Target Company to repay the shareholder's loan owed by the Target Company to the Vendor in the amount of approximately RMB27.6 million (equivalent to approximately HK\$34.2 million).

Basis of determination of the Consideration : The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account, the valuation on the Target Company conducted by the Purchaser and/or its group companies in the amount of RMB750.4 million (equivalent to approximately HK\$930.5 million), the estimated total liabilities of the Target Company as at 31 December 2021 in the amount of approximately RMB277 million (equivalent to approximately HK\$343.5 million), the estimated total accounts receivable of the Target Company as at 31 December 2021 in the amount of approximately RMB11.3 million (equivalent to approximately HK\$14 million), the estimated costs of Improvement Works in the amount of approximately RMB9.2 million (equivalent to approximately HK\$11.4 million), and the expected benefits of the Disposal to the Company as detailed in the section headed "Reasons for and benefits of the Disposal" in this announcement.

Security Deposit : Pursuant to the Letter of Intent, GDS (Shanghai) previously paid the Security Deposit in the amount of RMB19 million (equivalent to approximately HK\$23.6 million) to the Vendor.

Subject to the fulfilment of all the conditions precedent of the Sale and Purchase Agreement, within 15 business days after the Completion Date, the Vendor shall return the Security Deposit to GDS (Shanghai) and the Security Deposit shall not be used to set off part of the Consideration.

Whereas if the conditions precedent are not fulfilled within six months from the date of the Sale and Purchase Agreement, the Vendor shall return the Security Deposit to the Purchaser within 15 business days after expiry of the said six months period.

After six months from the date of the Sale and Purchase Agreement, if all conditions precedent except condition (17) below have been fulfilled by no later than 20 business days before the expiry of the six months period from the date of the Sale and Purchase Agreement and condition (17) is not fulfilled solely because the Purchaser or GDS Services fails to provide the Performance Guarantee, the Purchaser shall pay RMB19 million (equivalent to approximately HK\$23.6 million) as compensation to the Target Company and the Vendor shall return the Security Deposit to GDS (Shanghai) within 15 business days after receipt of such compensation, and thereafter the Purchaser shall not be liable for breach of contract due to failure to provide the Performance Guarantee and the Purchaser shall have the right to delay the Completion Date to a date no later than eight months from the date of the Sale and Purchase Agreement.

Conditions precedent : Pursuant to the terms of the Sale and Purchase Agreement, Completion shall be subject to and conditional upon the fulfilment (or waiver by the Purchaser) of the following conditions precedent:–

- (1) the Purchaser and the Vendor having delivered the completion documents to the other party;
- (2) the warranties being true, accurate, complete and not misleading as at the date of the Sale and Purchase Agreement and the Completion Date;
- (3) the Vendor and the Target Company having complied with the warranties, undertakings and obligations under the Sale and Purchase Agreement and the transactions thereunder;
- (4) there not having any material adverse effect on the Target Company up to the Completion Date;
- (5) all consents which are required for Completion (including consent from government authorities and other third parties) having been obtained in accordance with the relevant laws, regulations and agreements;
- (6) the Target Company having obtained all consents which are required for construction and operation of the Data Centre Project and there not having any such consents which have already been obtained but cannot be used for the construction and operation of the Data Centre Project;
- (7) the Target Company having restructured its leasing arrangement relating to the premises used for the Data Centre Project including obtaining confirmation from the landlords of the premises confirming, inter alia, that the premises will be sub-leased to the Target Company for the construction of the Data Centre Project;
- (8) the Target Company having deregistered its value-added telecommunication business permit\* ( 增值電信業務經營許可證 ) and having provided the relevant proof;
- (9) the Target Company having confirmed with its customer that the right of maintenance of the Data Centre Project shall belong to the Target Company and/or the Purchaser or its associates;
- (10) the Target Company having completed the procedures regarding electricity supply for the Data Centre Phase One;

- (11) the Data Centre Phase One having been handed over to the Purchaser;
- (12) the pre-completion Improvement Works having been completed and the Data Centre Project producing IT output of not less than 13,400KW, in which the Data Centre Phase One producing IT output of not less than 5,497.16KW and the Data Centre Phase Two producing IT output of not less than 7,942.55KW;
- (13) the Vendor and the Purchaser having procured the Target Company to arrange discharge of the securities in relation to the bank facilities of the Target Company;
- (14) the landlord of the premises where the Data Centre Project is situated having entered into water supply agreement(s) with the relevant water supplier according to the water usage plan provided by the Purchaser and the landlord having entered into water supply agreement(s) with the Target Company;
- (15) the Vendor and the Target Company having entered into novation agreement with the electricity engineering services provider to novate the obligations and liabilities under such contract from the Vendor to the Target Company;
- (16) the Target Company having terminated the employment with all employees of the Target Company, there not having any dispute in relation thereto, and all employees' insurance having been terminated (if any);
- (17) the registration of the Purchaser as the sole holder of the Sale Equity Interest, the change of the legal representative, executive director(s), general manager and supervisor etc of the Target Company to the persons nominated by the Purchaser having been completed, and the Target Company having been handed over to the Purchaser;

If the conditions precedent are not fulfilled within six months from the date of the Sale and Purchase Agreement or such other date as agreed by the Purchaser, the Purchaser shall have the right to terminate the Sale and Purchase Agreement. After termination, the parties shall not have any claims save for any antecedent breach or the Vendor failing to return the Performance Guarantee to the Purchaser, and the Vendor shall compensate the Purchaser and its associates for the costs, fees and expenses in respect of termination of the Sale and Purchase Agreement.



Guarantee : Bluesea Mobile and Mr. Wang, being the shareholders of the Vendor, agreed to provide warranties and undertakings in relation to the Target Company under the Sale and Purchase Agreement.

EDSUZ and GDS (Shanghai) agreed to guarantee the payment obligations of the Purchaser under the Sale and Purchase Agreement.

Completion : Subject to fulfilment of the conditions precedent, Completion shall take place on the date on which the business registration of the change of equity holding of the Target Company has been completed.

## **INFORMATION ON THE TARGET COMPANY AND THE DATA CENTRE PROJECT**

The Target Company was a company established in the PRC with limited liability on 5 February 2018. As at the date of this announcement, the Target Company was wholly-owned by the Vendor. The Target Company was principally engaged in the development of the Data Centre Project.

The Data Centre Project consists of a data centre, namely Shenzhen Guanlan Flagship Data Centre, located in Shenzhen International Kanghuai E-commerce Centre, Guanlan Street, Longhua District, Shenzhen, which has a capacity of over 3,000 server cabinets. The data centre is currently under construction and is expected to commence its operations in 2022.

Set out below is a summary of the financial information of the Target Company for the years ended 31 December 2020 and 2021:

	<b>For the financial year ended 31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approx.)</i>	<i>(approx.)</i>
	(audited)	(unaudited)
Net loss before tax	11,128	23,250
Net loss after tax	10,708	21,963

The net asset value of the Target Company as at 31 December 2021 was approximately RMB253 million.

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

The Directors are of the view that the Disposal provides the Group with an opportunity to realise a capital gain of considerable size to provide immediate cash for the Group's business development. It also enables the Group to better utilize its resources and maximize the interests of the Company and the Shareholders as a whole. The Directors consider that the Disposal was entered into after arm's length negotiation, was on normal commercial terms and the Disposal was fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACT OF THE DISPOSAL**

The net proceeds from the Disposal (after deducting transaction costs) are approximately RMB475 million (equivalent to approximately HK\$589 million). The Group intends to use such net proceeds as to approximately RMB200 million (equivalent to approximately HK\$248 million) to develop the Group's other data centres, as to approximately RMB200 million (equivalent to approximately HK\$248 million) to repay borrowings and as to approximately RMB75 million (equivalent to approximately HK\$93 million) as general working capital of the Group.

Upon Completion, the Company is expected to recognise a gain on Disposal of approximately RMB212 million (equivalent to approximately HK\$262.9 million) with reference to the Consideration, the net asset value of the Target Company attributable to the Company as at 31 December 2021 and transaction costs attributable to the Disposal.

Having taking into consideration of the reasons for the Disposal as stated under the paragraph headed "Reasons for and benefits of the Disposal" above, the Company is of the view that the Disposal is in the interests of the Group as a whole as it will improve the cash flow position of the Group in the long run.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated in the Group's forthcoming consolidated financial statements.

Shareholders should note that the financial impact set out above is for illustrative purpose only which will have to be ascertained at the time of preparation of the Company's consolidated financial statements with reference to, among others, the actual costs and expenses associated with the Disposal and is subject to audit.

## **INFORMATION ON THE GROUP, VENDOR, BLUESEA MOBILE AND MR. WANG**

The Group is principally engaged in provision of data centre services and trading of telecommunication products.

The Vendor is a company established in the PRC with limited liability and is an indirect non-wholly-owned subsidiary of the Company. As at the date of this announcement, the Vendor is owned as to 60% by Bluesea Mobile and 40% by Mr. Wang. The principal business activity of the Vendor is the provision of data centre services.

Bluesea Mobile is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Bluesea Mobile is indirectly 100% owned by the Company. The principal business activity of Bluesea Mobile is operation of commercial WIFI platform, provision of value-added telecommunication services and provision of data centre services.

Mr. Wang is the legal representative, a director and a substantial shareholder of the Vendor.

## **INFORMATION ON THE PURCHASER, GDS (SHANGHAI) AND EDSUZ**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) EDSUZ is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. EDSUZ is wholly-owned by EDC; (ii) GDS (Shanghai) is a company established in the PRC with limited liability and is principally engaged in investment holdings. GDS (Shanghai) is wholly-owned by EDSUZ; (iii) the Purchaser is a company established in the PRC with limited liability and is principally engaged in investment holding. The Purchaser is wholly-owned by GDS (Shanghai); and (iv) EDSUZ, GDS (Shanghai), the Purchaser and their ultimate beneficial owners are Independent Third Parties.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, circular and shareholders' approval requirements under the GEM Listing Rules.

## **SHAREHOLDERS' WRITTEN APPROVAL**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders had a material interest in the Disposal and as such, no Shareholder was required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, (i) Dr. Lie beneficially and through Winner Mind and Golden Ocean in aggregate held 4,364,299,357 Shares; (ii) Mr. Yan beneficially held 504,832,000 Shares; and (iii) Ms. Wong (spouse of Mr. Yan) beneficially held 106,702,000 Shares. Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong together beneficially held 4,975,833,357 Shares, representing approximately 52.25% of the entire issued share capital of the Company.

According to the information, belief and knowledge of the Directors, Winner Mind and Golden Ocean were wholly-owned by Dr. Lie. Dr. Lie was acquainted with Mr. Yan for around 20 years and they had various business cooperation, including property investment, in the PRC. Mr. Yan is the spouse of Ms. Wong. Further, Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong had a long history of holding in the Company. Dr. Lie became a Shareholder in or around 2009 and later together with Winner Mind and Golden Ocean increased his holding in the Company. Mr. Yan and Ms. Wong became a Shareholder in or around 2014. In view of the above, the Directors were of the view that Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong were a closely allied group of Shareholders.

Written approval of the Disposal has been obtained from Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong. Pursuant to Rule 19.44 of the GEM Listing Rules, such written approval may be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

## DESPATCH OF CIRCULAR

A circular containing, among other things, details of the Disposal and other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 31 March 2022.

**Shareholders and potential investors of the Company should be aware that the Disposal is subject to a number of conditions being satisfied, and consequently the Disposal may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Blueseas Mobile”	Guangdong Blueseas Mobile Development Company Limited* (廣東蔚海移動發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Company”	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8167);
“Completion”	completion of the Disposal;
“Completion Adjustment”	the completion adjustment as set out in the paragraph headed “Consideration and Completion Adjustment”;
“Completion Date”	the date on which the Completion occurs;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Consideration”	the total consideration of approximately RMB475.5 million (equivalent to approximately HK\$589.6 million) payable under the Disposal pursuant to the Sale and Purchase Agreement;
“Data Centre Phase One”	Lower first floor, lower second floor and the fourth floor of the data centre located at Building 3, Kanghuai E-commerce Centre, No. 60, Pingan Road, Dafu Community, Guanlan Street, Longhua District, Shenzhen* (深圳市龍華區觀瀾街道大富社區平安路60號康淮電商中心3號樓);

“Data Centre Phase Two”	First floor to the third floor of the data centre located at Building 3, Kanghuai E-commerce Centre, No. 60, Pingan Road, Dafu Community, Guanlan Street, Longhua District, Shenzhen* (深圳市龍華區觀瀾街道大富社區平安路60號康淮電商中心3號樓) ;
“Data Centre Project”	collectively, Data Centre Phase One and Data Centre Phase Two;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Sale Equity Interest by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Dr. Lie”	Dr. LIE Haiquan, an executive Director, the chairman of the Board and a Controlling Shareholder and directly owns 2,272,376,000 Shares and indirectly owns a total of 2,091,923,357 Shares via Golden Ocean and Winner Mind as at the date of this announcement. Dr. Lie was acquainted with Mr. Yan for around 20 years and they had various business relationship in the PRC;
“EDC”	EDC Holding Limited, a company incorporated in Cayman Islands with limited liability and a wholly-owned subsidiary of GDS;
“EDSUZ”	EDSUZ (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of EDC;
“GDS”	GDS Holdings Limited, a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the Stock Exchange (stock code: 9698) and NASDAQ (stock code: GDS);
“GDS Services”	GDS Services Ltd.* (萬國數據服務有限公司), a company established in the PRC with limited liability and a subsidiary of GDS (Shanghai) through contractual arrangements;
“GDS (Shanghai)”	GDS (Shanghai) Investment Co., Ltd.* (萬數(上海)投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of EDSUZ;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;

“Golden Ocean”	Golden Ocean Assets Management Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Dr. Lie and directly owns 36,036,000 Shares as at the date of this announcement
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Improvement Works”	the pre-completion and post-completion improvement works on the Data Centre Project as agreed by the Purchaser;
“Independent Third Party(ies)”	any person(s) or companies and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company;
“Letter of Intent”	the letter of intent dated 27 October 2021 entered into among the GDS (Shanghai), the Vendor, Bluesea Mobile, Mr. Wang and the Target Company in respect of the possible disposal of the Target Company;
“Mr. Wang”	Mr. WANG Kun* (王坤), the legal representative, a director and a substantial shareholder of the Vendor;
“Mr. Yan”	Mr. YAN Wai Ping, a Shareholder and directly owns 504,832,000 Shares as at the date of this announcement. Mr. Yan is acquainted with Dr. Lie for around 20 years and they had various business relationship in the PRC. Mr. Yan is the spouse of Ms. Wong;
“Ms. Wong”	Ms. WONG Pui Yan, a Shareholder and directly owns 106,702,000 Shares as at the date of this announcement. Ms. Wong is the spouse of Mr. Yan;
“Performance Guarantee”	a bank performance guarantee to be provided by the Purchaser or GDS Services to the Vendor to secure the obligations of the Purchaser under the Sale and Purchase Agreement in the amount of RMB200 million (equivalent to approximately HK\$248 million) which shall expire on the date of which the Vendor is obliged to return the bank performance guarantee to the Purchaser pursuant to the Sale and Purchase Agreement;

“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	Shenzhen Pengyu Data Technology Co., Ltd* (深圳鵬裕數據科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of GDS (Shanghai);
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 March 2022 entered into among the Purchaser, GDS (Shanghai), EDSUZ, the Vendor, Bluesea Mobile, Mr. Wang and the Target Company in relation to the Disposal;
“Sale Equity Interest”	the registered capital of RMB300 million (equivalent to approximately HK\$372 million) of the Target Company, representing the entire equity interest of the Target Company;
“Security Deposit”	the security deposit in the amount of RMB19 million (equivalent to approximately HK\$23.6 million) paid by GDS (Shanghai) to the Vendor pursuant to the Letter of Intent;
“Share(s)”	share(s) in the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules;
“Target Company”	Shenzhen Zituo Yunqi Technology Company Limited* (深圳市資拓雲啓科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company before the Disposal;
“Vendor”	Guangzhou Zituo Technology Company Limited* (廣州市資拓科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company;

“Winner Mind”

Winner Mind Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Dr. Lie and directly owns 2,055,887,357 Shares as at the date of this announcement;

“%”

per cent.

By Order of the Board  
**Neo Telemedia Limited**  
**Dr. LIE Haiquan**  
*Chairman*

Hong Kong, 10 March 2022

*As at the date of this announcement, the Board comprises four executive Directors, namely Dr. LIE Haiquan (Chairman), Mr. CHEUNG Sing Tai (Deputy Chairman and Chief Executive Officer), Mr. TAO Wei and Mr. WU Di and three independent non-executive Directors, namely Mr. ZHANG Zihua, 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.*

*In this announcement, the English names of the PRC entities marked with “\*” are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

*For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00: HK\$1.24. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates or at all.*

*This announcement will remain on the “Latest List Company Information” page of the GEM website <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).*

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*