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**ASIA TELEMEDIA LIMITED**

**亞洲電信媒體有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 376)**

**ANNOUNCEMENT:**

**WINDING UP PETITION  
AND  
RESUMPTION OF TRADING**

Reference is made to the announcement dated 15 June 2007, 5 September 2007 and 10 September 2007 of the Company in relation to the Winding Up Petition.

The Company has obtained advice from its legal advisors after considering the materials and information gathered by the management during the past months. After considering the advice from its legal advisors, the Company is of the view that it has valid grounds to oppose the petition. The Company has filed evidence in opposition and attended the court hearing on 15 October 2007 to strenuously oppose the petition. The Petitioner will be filing further evidence in reply to the Company's evidence within 14 days of 15 October 2007. No date has yet been fixed for the court hearing of the Winding Up Petition. The Company will keep its shareholders and the public informed on the further progress of the legal proceedings in relation to the Winding Up Petition and further announcement will be made by the Company if and when appropriate.

With regards to the alleged claim under the Winding Up Petition, in the event that the court rules against the Company in the proceedings, the Company's intention is to settle the outstanding debt through fund raising exercise. According to the estimation of the legal advisors of the Company on the length of the winding up process, the Company considers that it has sufficient time to conduct the necessary fund raising exercise before the winding up process concludes.

**The Winding Up Petition may or may not succeed. In the event a winding up order is made, the Company may be wound up. If the Company succeeds in its opposition, the Winding Up Petition will be dismissed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Trading in the shares of the Company on the main board of the Stock Exchange was suspended with effect from 9:30 a.m. on 7 June 2007 at the request of the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 18 October 2007.

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules. Reference is made to the announcements dated 15 June 2007, 5 September 2007 and 10 September 2007 (the “**Announcements**”) of the Company in relation to the Winding Up Petition. Unless otherwise stated, capitalised terms defined in the Announcements have the same meanings when used in this announcement.

## **CURRENT STATUS AND PROGRESS OF THE WINDING UP PETITION**

The Company has obtained advice from its legal advisors after considering the materials and information gathered by the management during the past months. The Company is aware that in the event a winding up order is made by the court, the Company may have to be wound up. However, after considering the advice from its legal advisors, the Company is of the view that it has valid grounds to oppose the petition. The Company has filed evidence in opposition and attended the court hearing on 15 October 2007 to strenuously oppose the petition. The Petitioner will be filing further evidence in reply to the Company's evidence within 14 days of 15 October 2007. No date has yet been fixed for the hearing of the Winding Up Petition. The Company will keep its shareholders and the public informed on the further progress of the legal proceedings in relation to the Winding Up Petition and further announcement will be made by the Company if and when appropriate.

## **CURRENT OPERATIONS OF THE GROUP**

The Group's principal activities are securities broking, underwriting, asset management, share margin financing and investment holding. The Company is carrying out its business operation through its major subsidiary Mansion House Securities (F.E.) Limited. Mansion House Securities (F.E.) Limited, on behalf of its clients worldwide, mainly buys and sells equities which are listed in the Stock Exchange. Besides, it also trades "B" shares in China and equities in the Europe, Singapore and USA stock markets. The Group's turnover has remained steady since the date of filing of the winding up petition on 5 June 2007. The Directors are of the opinion that the Group currently has sufficient level of operations as required by Rule 13.24 of the Listing Rules. Based on a review of the current operations of the Group, the Winding Up Petition has not had any material adverse impact on the current operations of the Group since the date of its service on the Company on 6 June 2007.

Based on the Group's current bank balances and cash position, its increase in turnover for the first two quarters for the current year and the net cash outflow estimated to be generated from the operating activities of the Group, the Directors are of the view that the Group has sufficient working capital for its present requirements and for at least the next 12 months and, except for the alleged claim under the Winding Up Petition which the Company disputes, the Company has the ability to meet its liabilities when they fall due. With regards to the alleged claim under the Winding Up Petition, in the event that the court rules against the Company in the proceedings, the Company's intention is to settle the outstanding debt through fund raising exercise. According to the estimation of the legal advisors of the Company on the length of the winding up process, the Company considers that it has sufficient time to conduct the necessary fund raising exercise before the winding up process concludes.

**The Winding Up Petition may or may not succeed. In the event a winding up order is made, the Company may be wound up. If the Company succeeds in its opposition, the Winding Up Petition will be dismissed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Further announcement will be made by the Company to keep the market and the shareholders informed as and when appropriate.**

## **SUSPENSION AND RESUMPTION IN TRADING**

Trading in the shares of the Company on the main board of the Stock Exchange was suspended with effect from 9:30 a.m. on 7 June 2007 at the request of the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 18 October 2007.

By order of the Board  
**Asia TeleMedia Limited**  
**LU Ruifeng**  
*Chairman*

Hong Kong, 17 October 2007

*As at the date of this announcement, the Board comprises executive Directors, Mr. LU Ruifeng and Mr. YIU Hoi Ying and independent non-executive Directors, Mr. LU Ning, Mr. LI Chun and Mr. LAU Hak Lap.*