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ASIA TELEMEDIA LIMITED

亞洲電信媒體有限公司

(Incorporated in Hong Kong with limited liability)

(In Liquidation)

(Stock Code: 376)

ANNOUNCEMENT

On 14 July 2009, the Letter was jointly issued by the Investor and its controlling shareholder and accepted by the Liquidators (acting as agents for and on behalf of the Company without personal liability) to set out the present intention of the Company and the Investor as to the Proposed Transaction, subject to agreement.

Under the Letter the Investor has been given an exclusive right to negotiate the detailed terms of the Proposed Transaction with the Company. Except for a number of provisions, the Letter is not legally-binding and will be terminated if the Restructuring Agreement has not been entered into within nine months from the date of the Letter (or such later date as the parties may agree in writing).

Investors and shareholders of the Company should note that the Company has not entered into any legally-binding documentation for the Proposed Transaction such as the Restructuring Agreement and even if such documentation is entered into, there is no assurance that the Proposed Transaction will complete.

At the request of the Company, trading in the shares of the Company has been suspended since 2:54 p.m. on 18 March 2008 and will remain suspended until further notice.

INTRODUCTION

Reference is made to the announcements of the Company dated 2 February 2009, 5 March 2009 and 24 April 2009.

The Liquidators received a number of restructuring proposals from various potential investors who expressed interest in participating in the restructuring of the Company. The Liquidators, after carefully considering and analysing the proposals received, are of the view that the proposal submitted by the Investor represents the best option available to the Company and its creditors taking into account the current financial and operational status of the Group.

THE LETTER

On 14 July 2009, the Letter was jointly issued by the Investor and its controlling shareholder and accepted by the Liquidators (acting as agents for and on behalf of the Company without personal liability) to set out the present intention of the Company and the Investor as to the Proposed Transaction, subject to agreement.

To the best knowledge, information and belief of the Liquidators, and having made all reasonable enquiries, the Investor and its ultimate beneficial shareholder are third parties independent of the Company and the connected persons of the Company.

The Investor agrees that it shall negotiate in good faith with the Company with a view to completing the Proposed Transaction. It is currently contemplated that implementation of the Proposed Transaction will be conditional on, among other things, (i) the entering into of the Restructuring Agreement; and (ii) the submission of the Resumption Proposal to the Stock Exchange. In addition, it is expected that completion of the Restructuring Agreement will be conditional on the obtaining of a number of approvals including sanction of a scheme of arrangement by the High Court of Hong Kong, approval of the Proposed Transaction by shareholders of the Company, and relevant approvals and/or waivers from the Stock Exchange and the SFC.

The Investor has agreed to pay HK\$3 million to an escrow agent as a deposit (subject to it being refundable under certain conditions), in return for the Investor being given an exclusive right to negotiate the detailed terms of the Proposed Transaction with the Company in respect of the implementation of the Proposed Transaction: (i) for a period of nine months from the date of the Letter; or (ii) until the Investor withdraws from the negotiations on the Proposed Transaction, whichever is earlier. In addition, the Investor has agreed to be responsible for the costs of the Proposed Transaction subject to certain limits and conditions.

Except for a number of provisions, the Letter is not legally-binding and will be terminated if the Restructuring Agreement has not been entered into within nine months from the date of the Letter (or such later date as the parties may agree in writing). The Company shall comply with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Code on Takeovers and Mergers regarding the Proposed Transaction as and when required.

The Investor will be assisting the Company in preparing the Resumption Proposal with a view to such proposal being submitted to the Stock Exchange as soon as possible. The Company will make further announcements as and when appropriate.

Investors and shareholders of the Company should note that the Company has not entered into any legally-binding documentation for the Proposed Transaction such as the Restructuring Agreement and even if such documentation is entered into, there is no assurance that the Proposed Transaction will complete.

GENERAL

At the request of the Company, trading in the shares of the Company has been suspended since 2:54 p.m. on 18 March 2008 and will remain suspended until further notice.

DEFINITIONS

“Company”	Asia TeleMedia Limited (In Liquidation), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investor”	Gainhigh Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Letter”	a letter of intent dated 14 July 2009 which was jointly issued by the Investor and its controlling shareholder and accepted by the Liquidators (acting as agents for and on behalf of the Company without personal liability) in respect of the Proposed Transaction
“Liquidators”	joint and several liquidators of the Company, namely Messrs Edward Middleton and Patrick Cowley, who were appointed pursuant to the Order of the High Court of Hong Kong dated 14 January 2009
“Proposed Transaction”	a possible transaction which may involve, among other things, a capital and debt restructuring and a subscription of new securities of the Company with a view to resuming trading of the shares of the Company on the Stock Exchange
“Restructuring Agreement”	an agreement to be entered into by the Company and the Investor for the implementation of the Proposed Transaction

“Resumption Proposal”	a possible proposal which sets out, among other things, details of the Proposed Transaction which will be submitted to the Stock Exchange in connection with an application to be made for the shares of the Company to be allowed to resume trading on the Stock Exchange
“SFC”	the Securities and Futures Commission
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

For and on behalf of
Asia TeleMedia Limited (In Liquidation)
Edward Middleton and Patrick Cowley
Joint and Several Liquidators
Acting as agents for and on behalf of
Asia TeleMedia Limited (In Liquidation)
without personal liability

Hong Kong, 15 July 2009

As at the date of this announcement, the Board of the Company comprises two executive directors, namely Mr Lu Ruifeng and Mr Yiu Hoi Ying, and three independent non-executive directors, namely Mr Lu Ning, Mr Li Chun and Mr Lau Hak Lap.