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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

Pursuant to the Facility Agreement (which has been amended and supplemented by the Amendment Agreement and the Amendment and Restatement Agreement), the Investor has agreed to make available to MHF an interest-bearing term loan facility of up to HK\$23.7 million secured by the Share Charge, to finance the regulatory capital requirements and general working capital requirements of MHS and/or for general corporate purposes.

The Investor, its controlling shareholder and the Liquidators (acting as agents for and on behalf of the Company without personal liability) have further agreed pursuant to the Third Letter dated 17 December 2010 that up to the date on which (i) the listing of the Company's shares on the Stock Exchange is cancelled, (ii) the Restructuring Agreement is entered into, or (iii) the Investor withdraws from negotiations on the Proposed Transaction, whichever is the earliest, the Investor will have an exclusive right to negotiate the Proposed Transaction during the Exclusivity Period.

A proposal dated 17 December 2010 has been submitted by the Company to the Stock Exchange in respect of the Proposed Transaction and resumption of trading of its shares on the Stock Exchange.

At the request of the Company, trading in the shares of the Company on the Stock Exchange 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 15 July 2009, 7 October 2009, 11 May 2010, 8 July 2010 and 28 July 2010.

FACILITY AGREEMENT

Pursuant to the Facility Agreement (which has been amended and supplemented by the Amendment Agreement and the Amendment and Restatement Agreement), the Investor has agreed to make available to MHF an interest-bearing term loan facility of up to HK\$23.7 million secured by the Share Charge, to finance the regulatory capital requirements and general working capital requirements of MHS and/or for general corporate purposes. MHF shall repay the Loan together with accrued interest (calculated at a rate of five per cent. per annum) on the repayment date as determined in accordance with the Facility Agreement. Interest on any overdue amount of the Loan is payable by MHF at a rate of 12 per cent. per annum.

The Loan will enable MHF to inject funds into MHS by way of equity investment to be used for the purposes of enlarging MHS's capital requirements and to be used for the general working capital requirements of MHS with a portion to be applied by MHF for general corporate purposes.

On 21 September 2010, the Investor approved the injection of HK\$8 million as equity by MHF to MHS and subsequently MHF subscribed for 8,000,000 new shares of MHS at a consideration of HK\$8 million. On 1 December 2010, the Investor additionally injected funds of HK\$15.7 million to MHF and MHF subscribed for 13,000,000 new shares of MHS at a consideration of HK\$13 million on 14 December 2010, with the fund of HK\$2.7 million retained by MHF as general corporate purposes.

Pursuant to the Share Charge, MHF (as legal owner of substantially all the MHS Shares and as beneficial owner of all the MHS Shares and as continuing security for the due and punctual payment and discharge of all Liabilities) charges in favour of the Investor by way of first fixed charge all the MHS Shares and MHS Dividends.

THE THIRD LETTER

On 23 July 2010, the Second 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) setting out (subject to contract) the intention of the Company and the Investor in respect of the Proposed Transaction, and extending further the exclusivity period for the Investor to negotiate the detailed terms of the Proposed Transaction.

The Investor, its controlling shareholder and the Liquidators (acting as agents for and on behalf of the Company without personal liability) have agreed pursuant to the Third Letter dated 17 December 2010 that up to the date on which (i) the listing of the Company's shares on the Stock Exchange is cancelled, (ii) Restructuring Agreement is entered into, or (iii) the Investor withdraws from negotiations on the Proposed Transaction, whichever is the earliest, the Investor will have an exclusive right to negotiate the Proposed Transaction during the Exclusivity Period.

The Third Letter also provides that, as soon as reasonably practicable after completion of the Proposed Transaction, the Company proposes to conduct an open offer to all shareholders of the Company at the same price per Share as the subscription price to be paid by the Investor to subscribe for the new Shares under the Proposed Transaction. The open offer is proposed to be fully underwritten by the Investor.

Like the Second Letter, the Third Letter, except for a number of provisions, is not legally-binding and will be terminated if the Restructuring Agreement has not been entered into by 28 February 2011 (or such later date as the parties may agree in writing). The Investor has agreed to continue to deposit HK\$3 million with the escrow agent (subject to it being refundable under certain conditions) pursuant to a second escrow agreement entered into between the Company and the Investor on 17 December 2010.

It is contemplated in the Third Letter 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. 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. 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 Company will make further announcements as and when appropriate.

GENERAL

MHS is a subsidiary of the Company and is principally engaged in securities brokerage and related activities.

To the best of the 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.

A proposal dated 17 December 2010 has been submitted by the Company to the Stock Exchange in respect of the Proposed Transaction and resumption of trading of its shares on the Stock Exchange.

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 and when 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 on the Stock Exchange has been suspended since 2:54 p.m. on 18 March 2008 and will remain suspended until further notice.

DEFINITIONS

“Amendment Agreement”	an agreement dated 14 October 2010 entered into between MHF and the Investor to amend certain terms of the Facility Agreement
“Amendment and Restatement Agreement”	an agreement dated 23 November 2010 relating to the Facility Agreement (as amended by the Amendment Agreement) to increase the Loan amount to HK\$23.7 million

“Company”	Asia TeleMedia Limited (In Liquidation), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Exclusivity Period”	the date until (i) the listing of the Company’s shares on the Stock Exchange is cancelled, (ii) the signing of the Restructuring Agreement, or (iii) the Investor withdraws from negotiations on the Proposed Transaction, whichever is the earliest
“Facility Agreement”	an agreement dated 22 September 2009 entered into between MHF and the Investor under which the Investor has agreed to provide an interest-bearing term loan facility to MHF as secured by the Share Charge (as amended and supplemented by the Amendment Agreement and as further amended and restated by the Amendment and Restatement Agreement)
“Investor”	Gainhigh Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Liabilities”	all present and future moneys, debts and liabilities due, owing or incurred by MHF to the Investor under or in connection with the Facility Agreement, the Share Charge and any security document designated as such by the Investor and MHF
“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
“Loan”	a loan made or to be made pursuant to the Facility Agreement or the principal amount outstanding for the time being of that loan

“MHF”	Mansion House Financial Holdings Limited, a subsidiary of the Company and an immediate holding company of MHS and the beneficial owner of all the MHS Shares
“MHS”	Mansion House Securities (F.E.) Limited, a subsidiary of MHF and an indirect subsidiary of the Company
“MHS Dividends”	dividends and/or distributions of any kind and any other sum received or receivable in respect of the MHS Shares
“MHS Shares”	all shares in MHS (and all warrants, options and other rights to subscribe for, purchase or otherwise acquire any shares in MHS) owned by MHF or in which MHF has an interest
“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 proposal which sets out, among other things, details of the Proposed Transaction which 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
“Second Letter”	a letter dated 23 July 2010 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
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) in the capital of the Company which have a nominal value of HK\$0.2 each

“Share Charge”	the share charge dated 22 September 2009 created by MHF in favour of the Investor in relation to the MHS Shares which MHF beneficially owns, together with the MHS Dividends
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Third Letter”	a letter dated 17 December 2010 which was jointly issued by the Investor and its controlling shareholder and accepted by the Liquidators (acting as agent for and on behalf of the Company without personal liability) about the Proposed Transaction and a open offer superseding the Second Letter

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, 5 January 2011

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 two independent non-executive directors, namely Mr Lu Ning and Mr Li Chun.