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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)**

**VERY SUBSTANTIAL DISPOSAL AND VERY SUBSTANTIAL ACQUISITIONS  
– SALE AND LEASE TRANSACTIONS  
AND  
RESUMPTION OF TRADING**

**VERY SUBSTANTIAL DISPOSAL AND VERY SUBSTANTIAL ACQUISITIONS  
– SALE AND LEASE TRANSACTIONS**

The Board hereby announces that on 20 June 2022, Bluesea Data (an indirect wholly owned subsidiary of the Company) and KDCR (an indirect wholly owned subsidiary of Keppel DC REIT) entered into the Sale and Lease Agreements (No. 6) pursuant to which (i) KDCR would purchase the Subject Assets (No. 6) from Bluesea Data at an aggregate consideration of RMB760,000,000 (equivalent to approximately HK\$883,880,000); and (ii) KDCR agreed to lease the Subject Assets (No. 6) to Bluesea Data for its operation. On 20 June 2022, Bluesea Mobile (an indirect wholly owned subsidiary of the Company) entered into the Guarantee Agreement (No. 6) in favour of KDCR pursuant to which Bluesea Mobile agreed to guarantee the obligations of Bluesea Data under the Framework Agreement (No. 6) (excluding Bluesea Data's obligations under the Lease Agreements (No. 6)).

On 20 June 2022, Bluesea Data and KDCR also entered into the Sale and Lease Agreements (No. 7) pursuant to which (i) KDCR would purchase the Subject Assets (No. 7) from Bluesea Data at an aggregate consideration of RMB760,000,000 (equivalent to approximately HK\$883,880,000); and (ii) KDCR agreed to lease the Subject Assets (No. 7) to Bluesea Data for its operation. On 20 June 2022, Bluesea Mobile entered into the Guarantee Agreement (No. 7) in favour of KDCR pursuant to which Bluesea Mobile agreed to guarantee the obligations of Bluesea Data under the Framework Agreement (No. 7) (excluding Bluesea Data's obligations under the Lease Agreements (No. 7)).

After the completion of the sale and purchase of the Subject Assets (No. 6)), the Board expects that the Company will record a gain of approximately RMB62,460,000 (equivalent to approximately HK\$72,641,000).

After the completion of the sale and purchase of the Subject Assets (No. 7)), the Board expects that the Company will record a gain of approximately RMB59,349,000 (equivalent to approximately HK\$69,023,000).

### **GEM LISTING RULES IMPLICATIONS**

Since the Previous Transaction was also entered into with KDCR within the previous 12-month period, the Previous Transaction and the Sale and Lease Transaction (No. 6) and the Sale and Lease Transaction (No. 7) shall be aggregated under Rule 19.22 of the GEM Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Sale and Lease Transaction (No. 6) on aggregate basis exceeds 100%, the Sale and Lease Transaction (No. 6) constitutes very substantial disposal and very substantial acquisition transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Sale and Lease Transaction (No. 7) on aggregate basis exceeds 100%, the Sale and Lease Transaction (No. 7) constitutes very substantial disposal and very substantial acquisition transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

### **THE EGM AND DESPATCH OF CIRCULAR**

The EGM will be convened for the purpose of considering and, if thought fit, approving the Sale and Lease Transactions.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Lease Transactions. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the Sale and Lease Transactions.

A circular containing, among other things, details of the Sale and Lease Transactions and other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 25 July 2022.

## **VOTING UNDERTAKINGS**

As at the date of this announcement, (i) Dr. Lie beneficially and through Winner Mind and Golden Ocean in aggregate held 4,365,607,357 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 4,977,141,357 Shares, representing approximately 52.27% of the entire issued share capital of the Company.

Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong have irrevocably undertaken, subject to any applicable law and regulations, that: (i) they will not sell, transfer or otherwise dispose of the Shares owned by them up to and including the date of the EGM; and (ii) they will vote all of the Shares beneficially held by them in favour of the resolutions in relation to the Sale and Lease Transactions to be proposed at the EGM.

**Shareholders and potential investors of the Company should be aware that the Sale and Lease Transactions are subject to a number of conditions being satisfied, and consequently the Sale and Lease Transactions 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.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on GEM has been halted from 9:00 a.m. on 21 June 2022 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 24 June 2022.

## **INTRODUCTION**

References are made to the announcement of the Company dated 28 July 2021 and the circular of the Company dated 17 September 2021 in relation to the Previous Transaction between Bluesea Data (an indirect wholly owned subsidiary of the Company) and KDCR (an indirect wholly owned subsidiary of Keppel DC REIT). As disclosed in the said announcement and circular, after the completion of the sale of No. 5, Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC, if Bluesea Data (an indirect wholly owned subsidiary of the Company) intends to (but is not obliged to) sell any of No. 1, 3, 4, 6 and 7, Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC, being other premises in the Bluesea Intelligence Valley Data Centre which were owned by Bluesea Data, KDCR will have the pre-emptive right to purchase each of such property.

The Board hereby announces that, on 20 June 2022:

1. Bluesea Data and KDCR entered into the Sale and Lease Agreements (No. 6) pursuant to which (i) KDCR would purchase the Subject Assets (No. 6) from Bluesea Data at an aggregate consideration of RMB760,000,000 (equivalent to approximately HK\$883,880,000); and (ii) KDCR agreed to lease the Subject Assets (No. 6) to Bluesea Data for its operation. On 20 June 2022, Bluesea Mobile (an indirect wholly owned subsidiary of the Company) entered into the Guarantee Agreement (No. 6) in favour of KDCR pursuant to which Bluesea Mobile agreed to guarantee the obligations of Bluesea Data under the Framework Agreement (No. 6) (excluding Bluesea Data's obligations under the Lease Agreements (No. 6)); and
2. Bluesea Data and KDCR entered into the Sale and Lease Agreements (No. 7) pursuant to which (i) KDCR would purchase the Subject Assets (No. 7) from Bluesea Data at an aggregate consideration of RMB760,000,000 (equivalent to approximately HK\$883,880,000); and (ii) KDCR agreed to lease the Subject Assets (No. 7) to Bluesea Data for its operation. On 20 June 2022, Bluesea Mobile entered into the Guarantee Agreement (No. 7) in favour of KDCR pursuant to which Bluesea Mobile agreed to guarantee the obligations of Bluesea Data under the Framework Agreement (No. 7) (excluding Bluesea Data's obligations under the Lease Agreements (No. 7)).

**(I) SALE AND LEASE TRANSACTION (NO. 6)**

**(a) Sale and Purchase of the Subject Assets (No. 6)**

The principal terms of the sale and purchase of the Subject Assets (No. 6) contemplated under the Sale Agreements (No. 6) are set out as follows:

Date : 20 June 2022

Parties : The Framework Agreement (No. 6)

- (1) Bluesea Data, a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company which is principally engaged in the provision of data centre services;

- (2) KDCR. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, KDCR is an indirect wholly owned subsidiary of Keppel DC REIT, a data centre real estate investment trust listed on the Singapore Exchange (acting through its trustee Perpetual (Asia) Limited), whose investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy, and KDCR and its ultimate beneficial owner(s) were Independent Third Parties; and
- (3) Blusea Mobile, a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company which is principally engaged in the provision of value-added telecommunication services and data centre services

The Development Consultancy Agreement (No. 6)

- (1) Blusea Mobile; and
- (2) KDCR

Other Sale Agreements (No. 6)

- (1) Blusea Data; and
- (2) KDCR

Subject matter of the Sale Agreements (No. 6) : Blusea Data agreed to sell and KDCR agreed to purchase the Subject Assets (No. 6) comprising (i) the Premises (No. 6); (ii) the Facilities and Equipment (No. 6); and (iii) the Property Auxiliary and Supporting Facilities (No. 6).

The Premises (No. 6) comprised a seven-storey building located at No. 6, Blusea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC\* (中國廣東省鶴山市沙坪街道蔚海智谷數據中心6號), with total gross floor area of approximately 20,309.82 square metres. The Premises (No. 6) were for industrial use. The term of the land use right of the Premises (No. 6) was from 18 January 2017 to 17 January 2067.

The Facilities and Equipment (No. 6) comprised power supply facilities and computer storage facilities and equipment to be completed.

The Property Auxiliary and Supporting Facilities (No. 6) comprised auxiliary and supporting facilities including electric and telecommunication cables and air-conditioning facilities to be completed.

The Facilities and Equipment (No. 6) and the Property Auxiliary and Supporting Facilities (No. 6) are being built and installed in the Premises (No. 6) by Blusea Data. In relation to the building and installation of the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6) on the Premises (No. 6), Blusea Mobile renders support and services (including but not limited to personnel support, engineering support, installation and rectification, relationship management and technical support), the costs of which the parties have agreed to be borne by KDCR.

The book value of the Subject Assets (No. 6) was RMB245,568,000 (equivalent to approximately HK\$285,596,000) as at 31 May 2022.

Sale Consideration (No. 6) : RMB760,000,000 (equivalent to approximately HK\$883,880,000) (inclusive of VAT), which comprised the consideration for (i) the sale and purchase of the Premises (No. 6), the Facilities and Equipment (No. 6) and the Property Auxiliary and Supporting Facilities (No. 6); (ii) the building and installation of the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6) on the Premises (No. 6) by Bluesea Data; and (iii) support and services (including but not limited to the personnel support, engineering support, installation and rectification, relationship management and technical support) rendered by Bluesea Mobile for the building and installation of the Facilities and Equipment (No. 6) and the Property Auxiliary and Supporting Facilities (No. 6) on the Premises (No. 6).

Payment schedule and conditions : The Sale Consideration (No. 6) shall be paid in the following manner:–

- (1) KDCR paid RMB22,250,000 (equivalent to approximately HK\$25,877,000) to Bluesea Data pursuant to a non-legally binding letter of intent between the parties dated 28 March 2022. KDCR shall pay or cause to pay RMB53,750,000 (equivalent to approximately HK\$62,511,000) within three Working Days after the date of the Framework Agreement (No. 6). The RMB22,250,000 (equivalent to approximately HK\$25,877,000) already paid and the RMB53,750,000 (equivalent to approximately HK\$62,511,000) to be paid together shall constitute the deposit. If the transaction is terminated not due to any party's fault, Bluesea Data shall refund the full amount of the deposit to KDCR without interest.

- (2) KDCR shall pay or cause to pay not more than RMB287,000,000 (equivalent to approximately HK\$333,781,000) at the last of the following three dates: (i) 7 July 2022; (ii) the expiration of 23 Working Days after the date of the Framework Agreement (No. 6); or (iii) after the satisfaction or waiver of the following conditions:– (a) all title transfer application documents having been signed by Bluesea Data and KDCR; (b) all tax verification application documents having been signed by Bluesea Data and KDCR; (c) Bluesea Data having provided to KDCR a creditworthiness certificate showing that the Existing Loan is not more than RMB287,000,000 (equivalent to approximately HK\$333,781,000); (d) Bluesea Data having provided to KDCR a title search record of Premises (No. 6); (e) the Existing Loan Bank having agreed to release the securities for the Existing Loan including mortgage of the Premises, and KDCR’s agent having reviewed the documents relating to such release; (f) the administrative formalities regarding the decoration, fire control and other formalities required for practical operation for the Subject Assets (No. 6) having been completed; and (g) the Shareholders having approved the Sale and Lease Transaction (No. 6) and Sale and Lease Transaction (No. 7). Within three Working Days after KDCR makes the payment under this paragraph, Bluesea Data shall arrange completion of the repayment of the Existing Loan and release of the securities of the Existing Loan including mortgage of the Premises. After the mortgage on Premises (No. 6) is released, Bluesea Data shall arrange registration of KDCR as the owner of the Premises (No. 6) and afterwards the Subject Assets (No. 6) shall be handed over to KDCR.
- (3) Within one Working Day after handover of the Subject Assets (No. 6), KDCR shall pay or cause to pay RMB397,000,000 (equivalent to approximately HK\$461,711,000) and any remaining amount of the Sale Consideration (No. 6).

If Completion (No. 6) does not occur within 40 days after the First Payment Date (No. 6), Bluesea Data shall pay accrued interest on the aggregate amount which has been paid by KDCR under paragraphs (1) and (2) above at an interest rate of 8.3% per annum calculated on daily basis from the First Payment Date (No. 6) until Completion (No. 6) occurs.

If the Shareholders' approval for the Sale and Lease Transaction (No. 6) and Sale and Lease Transaction (No. 7) has not been obtained within 50 Working Days after the date of the Framework Agreement (No. 6), Bluesea Data shall pay on a monthly basis accrued interest on the deposit which has been paid by KDCR under paragraph (1) above at an interest rate of 8.3% per annum calculated on daily basis from the expiry of 30 Working Days after the deposit is paid until the Shareholders' approval has been obtained.

Basis of determination : The Sale Consideration (No. 6) was determined of the Sale Consideration (No. 6) based on arm's length negotiation between KDCR and the Group with reference to (i) the terms of the Lease Agreements (No. 6); (ii) the book value of the Subject Assets (No. 6) as at 31 May 2022 being RMB245,568,000 (equivalent to approximately HK\$285,596,000); (iii) the estimated cost of building and installation of the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6) on the Premises (No. 6) by Bluesea Data; (iv) the estimated cost of support and services (including but not limited to the personnel support, engineering support, installation and rectification, relationship management and technical support) rendered by Bluesea Mobile for the building and installation of the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6) on the Premises (No. 6); and (v) the sale consideration under the Previous Transaction.

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| Pre-emptive Right of purchase of the Other Properties (No. 6) by KDCR | : | After the date of the Completion (No. 6), if Bluesea Data intends to (but is not obliged to) sell any of the Other Properties (No. 6), KDCR will have the pre-emptive right to purchase each of the Other Properties (No. 6).   |
| Termination   | : | The Sale and Lease Transaction (No. 6) may be terminated by the non-defaulting party if (i) a party commits material breach of the Framework Agreement (No. 6); (ii) the Subject Assets (No. 6) are materially damaged and are not repaired before Completion (No. 6); (iii) a party becomes insolvent or is subject to bankruptcy or liquidation process; or (iv) Completion (No. 6) does not occur within nine months (or any longer period determined by the non-defaulting party) from the date of the Framework Agreement (No. 6). |
| Handover of the Subject Assets (No. 6)                                | : | Pursuant to the Framework Agreement (No. 6), Bluesea Data shall hand over the Subject Assets (No. 6) to KDCR, and on the same date, for the purpose of the Lease (No. 6), Bluesea Data shall unconditionally accept handover of the Subject Assets (No. 6) back from KDCR.  |
| Completion  | : | Completion (No. 6) shall take place when all of the following has occurred:- (i) KDCR has obtained the real estate title certificates for Premises (No. 6) and Premises (No. 7); and (ii) Bluesea Data has handed over the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6) to KDCR.   |

**(b) The Lease (No. 6) for Bluesea Data’s Operation**

The principal terms of the Lease (No. 6) for operation by Bluesea Data contemplated under the Lease Agreements (No. 6) are set out as follows:

|         |   |  |
|---------|---|--|
| Date    | : | 20 June 2022   |
| Parties | : | (1) KDCR; and<br>(2) Bluesea Data.   |
| Term    | : | KDCR shall lease the Subject Assets (No. 6) to Bluesea Data. The term of the Lease (No. 6) commence from the Lease Commencement Date (No. 6) until 15 years after the Rent Commencement Date (No. 6) subject to early termination in accordance to the section headed “Early termination” below. |

- Payment : The initial annual Payment (No. 6) is RMB63,000,000 (equivalent to approximately HK\$73,269,000) (inclusive of VAT and subject to adjustment). The Payment (No. 6) shall be paid monthly from the Rent Commencement Date (No. 6).
- The Payment (No. 6) and the security deposit as described hereinafter will be paid through the Group's internal source of funding.
- Manner of payment : The Payment (No. 6) shall be payable by Bluesea Data monthly on each due date to be determined based on the Rent Commencement Date (No. 6).
- Basis of determination of the Payment (No. 6) : The Subject Assets (No. 6) are intended to be utilised for providing services to the telecommunication services providers in the PRC by the Group. The Directors expect that the income generated therefrom will be sufficient to cover the Payment (No. 6). Apart from considering the income generated therefrom, the Payment (No. 6) for the Subject Assets (No. 6) was determined based on arm's length negotiation between KDCR and Bluesea Data with reference to (i) the terms of the Sale Agreements (No. 6) including the fact that under the Sale Agreements (No. 6), the Subject Assets (No. 6) shall continue to be operated by Bluesea Data, which is experienced in operating the Subject Assets (No. 6); (ii) the prevailing market rent of comparable premises, facilities and equipment in the proximity and the leasing cost of power supply facilities and computer storage facilities, equipment and premises in Guangdong province of technical specifications similar to those of the Subject Assets (No. 6) which are all comparable to the Payment (No. 6); (iii) the location of the Premises (No. 6) i.e. the Subject Assets (No. 6) are located in Guangdong province in which there are advanced and assessable infrastructure for operation of the Subject Assets (No. 6); (iv) the expected inflation rate in the future which according to the Directors' estimation will remain stable and not have material impact to the operation of the Subject Assets (No. 6); (v) the income being generated from provision of services by utilising the Subject Assets (No. 6) will continue to be sufficient to cover the Payment (No. 6) in the future; and (vi) the payment under the lease agreements of the Previous Transaction.

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| Security deposit   | : | RMB15,750,000 (equivalent to approximately HK\$18,317,000), which is equivalent to the first three months' Payment (No. 6).   |
| Early termination  | : | Blueseas Data is entitled to terminate the Lease Agreements (No. 6) on the date falling 12 years after the Rent Commencement Date (No. 6).  |
| Option to renew  | : | Blueseas Data is entitled to an option exercisable at the discretion of Blueseas Data to renew for a further lease term, with the renew term no shorter than five years, at the same terms and conditions under the Lease Agreements (No. 6), except for the amount of the Payment (No. 6) which shall be subject to mutual agreement.  |
| Pre-emptive right of purchase of the Subject Assets (No. 6) by Blueseas Data | : | Blueseas Data shall have the pre-emptive right exercisable at the discretion of Blueseas Data to purchase the Subject Assets (No. 6) from KDCR on such terms to be agreed between Blueseas Data and KDCR. Blueseas Data's pre-emptive rights under all the Lease Agreements (No. 6) shall be exercised or waived at the same time and shall not be exercised or waived independently. |

**(c) Guarantee by Blueseas Mobile**

The principal terms of the Guarantee Agreement (No. 6) are set out as follows:

|   |   |   |
|---|---|---|
| Date                                    | : | 20 June 2022  |
| Parties                                 | : | (1) Blueseas Mobile; and<br>(2) KDCR  |
| Term of the Guarantee Agreement (No. 6) | : | The guarantee period of the Guarantee Agreement (No. 6) shall be nine months from the due date of Blueseas Data's debt and obligations under the Framework Agreement (No. 6). |

The guaranteed obligations : Bluesea Mobile agrees to provide guarantee in favour of KDCR to guarantee the performance by Bluesea Data of its obligations under the Framework Agreement (No. 6) including but not limited to (i) all amounts payable by Bluesea Data to KDCR under the Framework Agreement (No. 6); and (ii) all default interests, fees, compensations, penalties, liquidated damages and the cost of enforcing the creditors' rights payable by Bluesea Data to KDCR under the Framework Agreement (No. 6) (including but not limited to litigation costs, costs of preservation, legal fees, travel expenses and appraisal fees).

The above guaranteed obligations do not cover Bluesea Data's obligations under the Lease Agreements (No. 6).

The Sale Agreements (No. 6), the Lease Agreements (No. 6) and the Guarantee Agreement (No. 6) are entered into pursuant to the Framework Agreement (No. 6). If the conditions as set out in the paragraph headed "Payment schedule and conditions" above are not fulfilled, the Sale and Lease Transaction (No. 6) may be terminated as stipulated under the paragraph headed "Termination" above.

## **(II) SALE AND LEASE TRANSACTION (NO. 7)**

### **(a) Sale and Purchase of the Subject Assets (No. 7)**

The principal terms of the sale and purchase of the Subject Assets (No. 7) contemplated under the Sale Agreements (No. 7) are set out as follows:

Date : 20 June 2022

Parties : The Framework Agreement (No. 7)

- (1) Bluesea Data
- (2) KDCR; and
- (3) Bluesea Mobile

The Development Consultancy Agreement (No. 7)

- (1) Bluesea Mobile; and
- (2) KDCR

Other Sale Agreements (No. 7)

- (1) Bluesea Data; and
- (2) KDCR

Subject matter of the : Bluesea Data agreed to sell and KDCR agreed to  
Sale Agreements (No. 7) purchase the Subject Assets (No. 7) comprising  
(i) the Premises (No. 7); (ii) the Facilities and  
Equipment (No. 7); and (iii) the Property Auxiliary  
and Supporting Facilities (No. 7).

The Premises (No. 7) comprised a seven-storey building located at No. 7 Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC\* (中國廣東省鶴山市沙坪街道蔚海智谷數據中心7號), with total gross floor area of approximately 20,610.07 square metres. The Premises (No. 7) were for industrial use. The term of the land use right of the Premises (No. 7) was from 18 January 2017 to 17 January 2067.

The Facilities and Equipment (No. 7) comprised power supply facilities and computer storage facilities and equipment to be built and installed.

The Property Auxiliary and Supporting Facilities (No. 7) comprised auxiliary and supporting facilities including electric and telecommunication cables and air-conditioning facilities to be built and installed.

The Facilities and Equipment (No. 7) and the Property Auxiliary and Supporting Facilities (No. 7) to be built and installed in the Premises (No. 7) by Bluesea Data. In relation to the building and installation of the Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7) on the Premises (No. 7), Bluesea Mobile renders support and services (including but not limited to the personnel support, engineering support, installation and rectification, relationship management and technical support), the costs of which the parties have agreed to be borne by KDCR.

The book value of the Subject Assets (No. 7) was RMB117,858,000 (equivalent to approximately HK\$137,068,000) as at 31 May 2022.

Sale Consideration (No. 7) : RMB760,000,000 (equivalent to approximately HK\$883,880,000) (inclusive of VAT), which comprised the consideration for (i) the sale and purchase of the Premises (No. 7), the Facilities and Equipment (No. 7) and the Property Auxiliary and Supporting Facilities (No. 7); (ii) the building and installation of the Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7) on the Premises (No. 7) by Bluesea Data; and (iii) the support and services (including but not limited to personnel support, engineering support, installation and rectification, relationship management and technical support) being rendered by Bluesea Mobile for the building and installation of the Facilities and Equipment (No. 7) and the Property Auxiliary and Supporting Facilities (No. 7) on the Premises (No. 7).

Payment schedule and conditions : The Sale Consideration (No. 7) shall be paid in the following manner:–

- (1) KDCR shall pay or cause to pay RMB28,000,000 (equivalent to approximately HK\$32,564,000) within three Working Days after the date of the Framework Agreement (No. 7) as the deposit. If the transaction is terminated not due to any party's fault, Bluesea Data shall refund the full amount of the deposit to KDCR without interest.

- (2) Conditions (c) to (g) of the Framework Agreement (No. 6) as disclosed in paragraph (2) of the section headed “Sale and purchase of the Subject Assets (No. 6) – payment schedule and conditions” shall also be conditions to the obligations of the parties in relation to the transfer of title of Premises (No. 7).
  
- (3) KDCR shall pay or cause to pay RMB72,000,000 (equivalent to approximately HK\$83,736,000) within one Working Day after (i) the date on which KDCR is registered as the owner of the Premises (No. 7) and Bluesea Data hands over the Premises (No. 7) to KDCR; or (ii) the satisfaction or waiver of the following conditions (whichever is later):– (a) the customer of Bluesea Data having agreed to cooperate with Bluesea Data to at least include the data centres in Premises (No. 6) and Premises (No. 7); (b) Bluesea Data having completed and provided KDCR with the filing of Premises (No. 7) decoration project with the local National Development and Reform Commission; (c) Bluesea Data having obtained and provided KDCR with the construction permit certificate for the Premises (No. 7) decoration project and the certificate of the review of construction drawings regarding such project; (d) KDCR having received evidence that Bluesea Data has paid all payable tax with respect to the transfer of title of Premises (No. 7); and (e) the Shareholders having approved the Sale and Lease Transaction (No. 6) and Sale and Lease Transaction (No. 7).

- (4) KDCR shall pay or cause to pay RMB150,000,000 (equivalent to approximately HK\$174,450,000) to the Escrow Account on the next Working Day after 4 January 2023 or the satisfaction or waiver of the following conditions (whichever is later):– (a) KDCR having completed the supplemental technical and legal due diligence on the Subject Assets (No. 7) and the technical consultant and legal counsels appointed by KDCR have determined that no major issues are found; (b) search records evidencing that there is no security or encumbrance on or in relation to the Subject Assets (No. 7); (c) Bluesea Data having entered into power supply contract with the power supply authority and provided the signed power supply contract to KDCR; (d) Bluesea Data having provided KDCR with evidence that the administrative formalities regarding the decoration, fire control and other formalities required for practical operation for the Subject Assets (No. 7) having been completed; (e) Bluesea Data having obtained all approval, filings, licenses, permits and necessary governmental administrative formalities for the operation of the Subject Assets (No. 7) as a data centre.
- (5) Within two Working Days after the Facilities and Equipment (No. 7) and the Property Auxiliary and Supporting Facilities (No. 7) are handed over to KDCR, the RMB150,000,000 (equivalent to approximately HK\$174,450,000) in the Escrow Account shall be released to Bluesea Data and Bluesea Mobile.
- (6) Within five Working Days after the Facilities and Equipment (No. 7) and the Property Auxiliary and Supporting Facilities (No. 7) are handed over to KDCR, KDCR shall pay or cause to pay RMB510,000,000 (equivalent to approximately HK\$593,130,000) to Bluesea Data.

If Completion (No. 7) does not occur within 40 days after the First Payment Date (No. 6), Bluesea Data shall pay accrued interest on the aggregate amount which has been paid by KDCR under paragraphs (1) and (3) above at an interest rate of 8.3% per annum calculated on daily basis from the First Payment Date (No. 6) until Completion (No. 7) occurs.

If the Shareholders' approval for the Sale and Lease Transaction (No. 6) and Sale and Lease Transaction (No. 7) has not been obtained within 50 Working Days after the date of the Framework Agreement (No. 6), Bluesea Data shall pay on a monthly basis accrued interest on the deposit which has been paid by KDCR under paragraph (1) above at an interest rate of 8.3% per annum calculated on daily basis from the expiry of 30 Working Days after the deposit is paid until the Shareholders' approval has been obtained.

- Basis of determination of the Sale Consideration (No. 7) : The Sale Consideration (No. 7) was determined based on arm's length negotiation between KDCR and the Group with reference to (i) the terms of the Lease Agreements (No. 7); (ii) the book value of the Subject Assets (No. 7) as at 31 May 2022 being RMB117,858,000 (equivalent to approximately HK\$137,068,000); (iii) the estimated cost of building and installation of the Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7) on the Premises (No. 7) by Bluesea Data; and (iv) the estimated cost of support and services (including but not limited to the personnel support, engineering support, installation and rectification, relationship management and technical support) to be rendered by Bluesea Mobile for the building and installation of the Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7) on the Premises (No. 7); and (v) the sale consideration under the Previous Transaction.
- Pre-emptive Right of purchase of the Other Properties (No. 7) by KDCR : After the date of the Completion (No. 7), if Bluesea Data intends to (but is not obliged to) sell any of the Other Properties (No. 7), KDCR will have the pre-emptive right to purchase each of the Other Properties (No. 7).

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| Termination                            | : | The Sale and Lease Transaction (No. 7) may be terminated by the non-defaulting party if (i) a party commits material breach of the Framework Agreement (No. 7); (ii) the Subject Assets (No. 7) are materially damaged and are not repaired before Completion (No. 7); (iii) a party becomes insolvent or is subject to bankruptcy or liquidation process; (iv) Completion (No. 7) does not occur within nine months (or any longer period determined by the non-defaulting party) from the date of the Framework Agreement (No. 7); (v) Supplemental Completion (No. 7) does not occur by 31 October 2023 (or any longer period determined by the non-defaulting party). |
| Handover of the Subject Assets (No. 7) | : | Pursuant to the Framework Agreement (No. 7), Bluesea Data shall hand over the Subject Assets (No. 7) to KDCR, and on the same date, for the purpose of the Lease (No. 7), Bluesea Data shall unconditionally accept handover of the Subject Assets (No. 7) back from KDCR.  |
| Completion                             | : | Completion (No. 7) shall take place when all of the following has occurred:– (i) KDCR has obtained the real estate title certificates for Premises (No. 6) and Premises (No. 7); and (ii) Bluesea Data has handed over the Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6).<br><br>Supplemental Completion (No. 7) shall take place when Bluesea Data has handed over the Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7) to KDCR.  |

**(b) The Lease (No. 7) for Bluesea Data’s Operation**

The principal terms of the Lease (No. 7) for operation by Bluesea Data contemplated under the Lease Agreements (No. 7) are set out as follows:

|         |   |   |
|---------|---|---|
| Date    | : | 20 June 2022  |
| Parties | : | (1) KDCR; and<br><br>(2) Bluesea Data.  |
| Term    | : | KDCR shall lease the Subject Assets (No. 7) to Bluesea Data. The term of the Lease (No. 7) commence from the Lease Commencement Date (No. 7) until 15 years after the Rent Commencement Date (No. 7), subject to early termination in accordance to the section headed “Early termination” below. |

- Payment : The initial annual Payment (No. 7) is RMB63,000,000 (equivalent to approximately HK\$73,269,000) (inclusive of VAT and subject to adjustment). The Payment (No. 7) shall be paid monthly from the Rent Commencement Date (No. 7).
- The Payment (No. 7) and the security deposit as described hereinafter will be paid through the Group's internal source of funding.
- Manner of payment : The Payment (No. 7) shall be payable by Bluesea Data monthly on each due date to be determined based on the Rent Commencement Date (No. 7).
- Basis of determination of the Payment (No. 7) : The Subject Assets (No. 7) are intended to be utilised for providing services to the telecommunication services providers in the PRC by the Group. The Directors expect that the income generated therefrom will be sufficient to cover the Payment (No. 7). Apart from considering the income generated therefrom, the Payment (No. 7) for the Subject Assets (No. 7) was determined based on arm's length negotiation between KDCR and Bluesea Data with reference to (i) the terms of the Sale Agreements (No. 7) including the fact that under the Sale Agreements (No. 7), the Subject Assets (No. 7) shall continue to be operated by Bluesea Data, which is experienced in operating the Subject Assets (No. 7); (ii) the prevailing market rent of comparable premises, facilities and equipment in the proximity and the leasing cost of power supply facilities and computer storage facilities, equipment and premises in Guangdong province of technical specifications similar to those of the Subject Assets (No. 7) which are all comparable to the Payment (No. 7); (iii) the location of the Premises (No. 7), i.e. the Subject Assets (No. 7) are located in Guangdong province in which there are advanced and assessable infrastructure for operation of the Subject Assets (No. 7); (iv) the expected inflation rate in the future which according to the Directors' estimation will remain stable and not have material impact to the operation of the Subject Assets (No. 7); (v) the income being generated from provision of services by utilising the Subject Assets (No. 7) will continue to be sufficient to cover the Payment (No. 7) in the future; and (vi) the payment under the lease agreements of the Previous Transaction.

|  |   |   |
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| Security deposit   | : | RMB15,750,000 (equivalent to approximately HK\$18,317,000), which is equivalent to the first three months' Payment (No. 7).   |
| Early termination  | : | Blueseas Data is entitled to terminate the Lease Agreements (No. 7) on the date falling 12 years after the Rent Commencement Date (No. 7).  |
| Option to renew  | : | Blueseas Data is entitled to an option exercisable at the discretion of Blueseas Data to renew for a further lease term, with the renew term no shorter than five years, at the same terms and conditions under the Lease Agreements (No. 7), except for the amount of the Payment (No. 7) which shall be subject to mutual agreement.  |
| Pre-emptive right of purchase of the Subject Assets (No. 7) by Blueseas Data | : | Blueseas Data shall have the pre-emptive right exercisable at the discretion of Blueseas Data to purchase the Subject Assets (No. 7) from KDCR on such terms to be agreed between Blueseas Data and KDCR. Blueseas Data's pre-emptive rights under all the Lease Agreements (No. 7) shall be exercised or waived at the same time and shall not be exercised or waived independently. |

**(c) Guarantee by Blueseas Mobile**

The principal terms of the Guarantee Agreement (No. 7) are set out as follows:

|   |   |   |
|---|---|---|
| Date                                    | : | 20 June 2022  |
| Parties                                 | : | (1) Blueseas Mobile; and<br>(2) KDCR  |
| Term of the Guarantee Agreement (No. 7) | : | The guarantee period of the Guarantee Agreement (No. 7) shall be nine months from the due date of Blueseas Data's debt and obligations under the Framework Agreement (No. 7). |

The guaranteed obligations : Bluesea Mobile agrees to provide guarantee in favour of KDCR to guarantee the performance by Bluesea Data of its obligations under the Framework Agreement (No. 7) including but not limited to (i) all amounts payable by Bluesea Data to KDCR under the Framework Agreement (No. 7); and (ii) all default interests, fees, compensations, penalties, liquidated damages and the cost of enforcing the creditors' rights payable by Bluesea Data to KDCR under the Framework Agreement (No. 7) (including but not limited to litigation costs, costs of preservation, legal fees, travel expenses and appraisal fees).

The above guaranteed obligations do not cover Bluesea Data's obligations under the Lease Agreements (No. 7).

The Sale Agreements (No. 7), the Lease Agreements (No. 7) and the Guarantee Agreement (No. 7) are entered into pursuant to the Framework Agreement (No. 7). If the conditions as set out in the paragraph headed "Payment schedule and conditions" above are not fulfilled, the Sale and Lease Transaction (No. 7) may be terminated as stipulated under the paragraph headed "Termination" above.

## **FINANCIAL EFFECT OF THE SALE OF THE SUBJECT ASSETS AND USE OF PROCEEDS**

After the completion of the transactions under the Sale Agreements (No. 6), the Board expects that the Company will record a gain of approximately RMB62,460,000 (equivalent to approximately HK\$72,641,000) (unaudited) for the Sale Agreements (No. 6) after taking into account (i) the unaudited book value of the Subject Assets (No. 6) of RMB245,568,000 (equivalent to approximately HK\$285,596,000) as at 31 May 2022; (ii) the estimated costs to completion of the Subject Assets (No. 6); and (iii) transaction fees and other incidental costs attributable to the Sale and Lease Transaction (No. 6) of RMB445,000 (equivalent to approximately HK\$517,000). The actual gain to be recorded by the Company is subject to audit and will be assessed after the Completion (No. 6).

After the completion of the transactions under the Sale Agreements (No. 7), the Board expects that the Company will record a gain of approximately RMB59,349,000 (equivalent to approximately HK\$69,023,000) (unaudited) for the Sale Agreements (No. 7) after taking into account (i) the unaudited book value of the Subject Assets (No. 7) of RMB117,858,000 (equivalent to approximately HK\$137,068,000) as at 31 May 2022; (ii) the estimated costs to completion of the Subject Assets (No. 7); and (iii) transaction fees and other incidental costs attributable to the Sale and Lease Transaction (No. 7) of RMB445,000 (equivalent to approximately HK\$517,000). The actual gain to be recorded by the Company is subject to audit and will be assessed after the Completion (No. 7).

The Group expects to use the net proceeds from the Sale (No. 6) and Sale (No. 7) of approximately RMB1,381,000,000 (equivalent to approximately HK\$1,606,103,000) (after deducting VAT and other relevant expenses of approximately RMB139,000,000 (equivalent to approximately HK\$161,657,000)) as to (i) approximately RMB287,000,000 (equivalent to approximately HK\$333,781,000) to repay borrowings; (ii) approximately RMB710,000,000 (equivalent to approximately HK\$825,730,000) to complete the construction of the Subject Assets (No. 6) and the Subject Assets (No. 7); (iii) approximately RMB280,000,000 (equivalent to approximately HK\$325,640,000) to develop the Group's other data centres; and (iv) approximately RMB104,000,000 (equivalent to approximately HK\$120,952,000) as general working capital of the Group for meeting the daily operating and administrative expenses, including but not limited to staff costs and lease payments of the Group.

## **RIGHT-OF-USE ASSETS**

The value of the right-of-use assets to be recognised by the Company under the Lease Agreements (No. 6) is estimated to be approximately RMB468,044,000 (equivalent to approximately HK\$544,335,000) (unaudited), being the present value of the aggregate Payment (No. 6) using the rate applicable at the commencement date of the Lease Agreements (No. 6) in accordance with HKFRS 16. The discount rate of approximately 7.96% is applied to compute the present value of the aggregate Payment (No. 6) under the Lease Agreements (No. 6).

The value of the right-of-use assets to be recognised by the Company under the Lease Agreements (No. 7) is estimated to be approximately RMB468,094,000 (equivalent to approximately HK\$544,393,000) (unaudited), being the present value of the aggregate Payment (No. 7) using the rate applicable at the commencement date of the Lease Agreements (No. 7) in accordance with HKFRS 16. The discount rate of approximately 7.96% is applied to compute the present value of the aggregate Payment (No. 7) under the Lease Agreements (No. 7).

## **REASONS FOR THE SALE AND LEASE TRANSACTIONS**

The Group is principally engaged in provision of data centre services.

The Subject Assets are intended to be utilized for providing services to the telecommunication services providers in the PRC by the Group. The Directors expect that the income generated therefrom will be sufficient to cover the Payments and the Subject Assets will continue to generate considerable profit to the Group. The Directors are of the view that the Sale and Lease Transactions provide the Group with an opportunity to realise a capital gain of considerable size to provide immediate cash for the Group's business development while the Group will remain as lessee of the Subject Assets and services provider to maintain sustainable profit. 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 Sale and Lease Transactions were entered into after arm's length negotiation between KDCR and the Group, was on normal commercial terms and the Sale and Lease Transactions were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

Since the Previous Transaction was also entered into with KDCR within the previous 12-month period, the Previous Transaction and the Sale and Lease Transaction (No. 6) and the Sale and Lease Transaction (No. 7) shall be aggregated under Rule 19.22 of the GEM Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Sale and Lease Transaction (No. 6) on aggregate basis exceeds 100%, the Sale and Lease Transaction (No. 6) constitutes very substantial disposal and very substantial acquisition transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Sale and Lease Transaction (No. 7) on aggregate basis exceeds 100%, the Sale and Lease Transaction (No. 7) constitutes very substantial disposal and very substantial acquisition transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **THE EGM AND DESPATCH OF CIRCULAR**

The EGM will be convened for the purpose of considering and, if thought fit, approving, the Sale and Lease Transactions.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Lease Transactions. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the Sale and Lease Transactions.

A circular containing, among other things, details of the Sale and Lease Transactions and other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 25 July 2022.

## **VOTING UNDERTAKINGS**

As at the date of this announcement, (i) Dr. Lie beneficially and through Winner Mind and Golden Ocean in aggregate held 4,365,607,357 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 4,977,141,357 Shares, representing approximately 52.27% of the entire issued share capital of the Company.

Dr. Lie, Winner Mind, Golden Ocean, Mr. Yan and Ms. Wong have irrevocably undertaken, subject to any applicable law and regulations, that: (i) they will not sell, transfer or otherwise dispose of the Shares owned by them up to and including the date of the EGM; and (ii) they will vote all of the Shares beneficially held by them in favour of the resolutions in relation to the Sale and Lease Transactions to be proposed at the EGM.

Shareholders and potential investors of the Company should be aware that the Sale and Lease Transactions are subject to a number of conditions being satisfied, and consequently the Sale and Lease Transactions 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.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM has been halted from 9:00 a.m. on 21 June 2022 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 24 June 2022.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

|                              |   |
|------------------------------|---|
| “Blueseas Data”              | Guangdong Blueseas Data Development Company Limited* (廣東蔚海數據發展有限公司), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company         |
| “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 (No. 6)”         | completion of the Sale (No. 6), details of which are set out under the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6) – Completion”   |
| “Completion (No. 7)”         | completion of the Sale (No. 7), details of which are set out under the paragraph headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7) – Completion” |
| “connected person(s)”        | has the meaning ascribed to it under the GEM Listing Rules  |
| “Controlling Shareholder(s)” | has the meaning ascribed to it under the GEM Listing Rules  |

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| “Development Consultancy Agreement (No. 6)” | the development consultancy agreement between KDCR and Bluesea Mobile dated 20 June 2022 in relation to Subject Assets (No. 6), details of which are set out under the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6)”  |
| “Development Consultancy Agreement (No. 7)” | the development consultancy agreement between KDCR and Bluesea Mobile dated 20 June 2022 in relation to Subject Assets (No. 7), details of which are set out under the section headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7)”  |
| “Director(s)”                               | the director(s) of the Company  |
| “Dr. Lie”                                   | Dr. LIE Haiquan, an executive Director, the chairman of the Board and a Controlling Shareholder and directly owns 2,273,684,000 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. |
| “EGM”                                       | the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Sale and Lease Transactions   |
| “Escrow Account”                            | a bank account opened in the name of KDCR and operated jointly by Bluesea Data and KDCR   |
| “Existing Loan”                             | the existing loan of Bluesea Data with the Premises as security which shall be repaid with the payment by KDCR under paragraph (2) of the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6) – Payment schedule and conditions”   |
| “Existing Loan Bank”                        | a licensed bank in the PRC  |
| “Facilities and Equipment (No. 6)”          | the facilities and equipment that are being built and installed in the Premises (No. 6) as set out in the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6) – Subject matter of the Sale Agreements (No. 6)”   |
| “Facilities and Equipment (No. 7)”          | the facilities and equipment to be built and installed in the Premises (No. 7) as set out in the section headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7) – Subject matter of the Sale Agreements (No. 7)”  |

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| “Facilities and Equipment Lease Agreement (No. 6)” | the facilities and equipment lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Facilities and Equipment (No. 6), details of which are set out in the section headed “Sale and Lease Transaction (No. 6) – The Lease (No. 6) for Bluesea Data’s operation” |
| “Facilities and Equipment Lease Agreement (No. 7)” | the facilities and equipment lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Facilities and Equipment (No. 7), details of which are set out in the section headed “Sale and Lease Transaction (No. 7) – The Lease (No. 7) for Bluesea Data’s operation” |
| “First Payment Date (No. 6)”                       | the date on which KDCR pays no more than RMB287,000,000 to Bluesea Data under paragraph (2) of the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6) – Payment schedule and conditions”  |
| “Framework Agreement (No. 6)”                      | the framework agreement among Bluesea Data, Bluesea Mobile and KDCR dated 20 June 2022 in relation to Subject Assets (No. 6), details of which are set out under the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6)”              |
| “Framework Agreement (No. 7)”                      | the framework agreement among Bluesea Data, Bluesea Mobile and KDCR dated 20 June 2022 in relation to Subject Assets (No. 7), details of which are set out under the section headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7)”              |
| “GEM”  | GEM operated by the Stock Exchange  |
| “GEM Listing Rules”                                | Rules Governing the Listing of Securities on GEM  |
| “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  |
| “Guarantee Agreement (No. 6)”                      | the guarantee agreement between KDCR and Bluesea Mobile dated 20 June 2022 in relation to the Framework Agreement (No. 6), details of which are set out under the section headed “Sale and Lease Transaction (No. 6) – Guarantee by Bluesea Mobile”                                     |

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| “Guarantee Agreement (No. 7)”     | the guarantee agreement between KDCR and Bluesea Mobile dated 20 June 2022 in relation to the Framework Agreement (No. 7), details of which are set out under the section headed “Sale and Lease Transaction (No. 7) – Guarantee by Bluesea Mobile”                                   |
| “HK\$”                            | Hong Kong Dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                       | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)”    | the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the GEM Listing Rules) of the Company |
| “KDCR”                            | KDCR Guangdong Co., Ltd* (吉寶數據(廣東)有限公司), a company established in the PRC with limited liability and is an indirect wholly owned subsidiary of Keppel DC REIT   |
| “Lease (No. 6)”                   | the lease of the Subject Assets (No. 6) by KDCR to Bluesea Data pursuant to the Lease Agreements (No. 6)  |
| “Lease (No. 7)”                   | the lease of the Subject Assets (No. 7) by KDCR to Bluesea Data pursuant to the Lease Agreements (No. 7)  |
| “Lease Agreements (No. 6)”        | collectively, the Premises Lease Agreement (No. 6), the Facilities and Equipment Lease Agreement (No. 6), and the Property Auxiliary and Supporting Facilities Lease Agreement (No. 6)  |
| “Lease Agreements (No. 7)”        | collectively, the Premises Lease Agreement (No. 7), the Facilities and Equipment Lease Agreement (No. 7), and the Property Auxiliary and Supporting Facilities Lease Agreement (No. 7)  |
| “Lease Commencement Date (No. 6)” | the date on which Bluesea Data hands over the Premises (No. 6), Facilities and Equipment (No. 6) or the Property Auxiliary and Supporting Facilities (No. 6) to KDCR (as the case may be)   |
| “Lease Commencement Date (No. 7)” | the date on which Bluesea Data hands over the Premises (No. 7), Facilities and Equipment (No. 7) or the Property Auxiliary and Supporting Facilities (No. 7) to KDCR (as the case may be)   |

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| “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   |
| “Other Properties (No. 6)” | No.1, 3, 4 and 7, Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC   |
| “Other Properties (No. 7)” | No.1, 3, 4 and 6, Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC   |
| “Payment (No. 6)”          | payment under the Lease Agreements (No. 6)  |
| “Payment (No. 7)”          | payment under the Lease Agreements (No. 7)  |
| “Payments”                 | collectively, Payment (No. 6) and Payment (No. 7)   |
| “PRC”                      | the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan   |
| “Premises (No. 6)”         | a seven-storey building located at No. 6 Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC* (中國廣東省鶴山市沙坪街道蔚海智谷數據中心6號), with total gross floor area of approximately 20,309.82 square metres                    |
| “Premises (No. 7)”         | a seven-storey building located at No. 7 Bluesea Intelligence Valley Data Centre, Shaping Street, Heshan City, Guangdong Province, PRC* (中國廣東省鶴山市沙坪街道蔚海智谷數據中心7號), with total gross floor area of approximately 20,610.07 square metres                    |

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| “Premises Lease Agreement (No. 6)”                                     | the premises lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Premises (No. 6), details of which are set out in the section headed “Sale and Lease Transaction (No. 6) – The Lease (No. 6) for Bluesea Data’s operation”   |
| “Premises Lease Agreement (No. 7)”                                     | the premises lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Premises (No. 7), details of which are set out in the section headed “Sale and Lease Transaction (No. 7) – The Lease (No. 7) for Bluesea Data’s operation”   |
| “Previous Transaction”   | the previous sale and lease transaction with KDCR, details of which were disclosed in the announcement of the Company dated 28 July 2021 and the circular of the Company dated 17 September 2021  |
| “Property Auxiliary and Supporting Facilities (No. 6)”                 | the property auxiliary and supporting facilities that are being built and installed in the Premises (No. 6)   |
| “Property Auxiliary and Supporting Facilities (No. 7)”                 | the property auxiliary and supporting facilities to be built and installed in the Premises (No. 7)  |
| “Property Auxiliary and Supporting Facilities Lease Agreement (No. 6)” | the property auxiliary and supporting facilities lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Property Auxiliary and Supporting Facilities (No. 6), details of which are set out in the section headed “Sale and Lease Transaction (No. 6) – The Lease (No. 6) for Bluesea Data’s operation” |
| “Property Auxiliary and Supporting Facilities Lease Agreement (No. 7)” | the property auxiliary and supporting facilities lease agreement between KDCR and Bluesea Data dated 20 June 2022 in relation to Property Auxiliary and Supporting Facilities (No. 7), details of which are set out in the section headed “Sale and Lease Transaction (No. 7) – The Lease (No. 7) for Bluesea Data’s operation” |
| “Rent Commencement Date (No. 6)”                                       | the date on which KDCR pays the Sale Consideration (No. 6) in full  |
| “Rent Commencement Date (No. 7)”                                       | the date on which KDCR pays the Sale Consideration (No. 7) in full  |
| “RMB”  | Renminbi, the lawful currency of the PRC  |

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|--------------------------------------|--|
| “Sale (No. 6)”                       | the sale of the Subject Assets (No. 6) by Bluesea Data to KDCR pursuant to the Sale Agreements (No. 6)   |
| “Sale (No. 7)”                       | the sale of the Subject Assets (No. 7) by Bluesea Data to KDCR pursuant to the Sale Agreements (No. 7)   |
| “Sale Agreements”                    | collectively, the Sale Agreements (No. 6) and the Sale Agreements (No. 7)  |
| “Sale Agreements (No. 6)”            | collectively, the Framework Agreement (No. 6), the Transfer Agreement of Facilities and Equipment (No. 6), and the Development Consultancy Agreement (No. 6) |
| “Sale Agreements (No. 7)”            | collectively, the Framework Agreement (No. 7), the Transfer Agreement of Facilities and Equipment (No. 7), and the Development Consultancy Agreement (No. 7) |
| “Sale Consideration (No. 6)”         | the consideration for the Sale (No. 6)   |
| “Sale Consideration (No. 7)”         | the consideration for the Sale (No. 7)   |
| “Sale and Lease Agreements (No. 6)”  | collectively, the Sale Agreements (No. 6) and the Lease Agreements (No. 6)   |
| “Sale and Lease Agreements (No. 7)”  | collectively, the Sale Agreements (No. 7) and the Lease Agreements (No. 7)   |
| “Sale and Lease Transactions”        | collectively, the Sale and Lease Transaction (No. 6) and the Sale and Lease Transaction (No. 7)  |
| “Sale and Lease Transaction (No. 6)” | collectively, the transactions contemplated under the Sale and Lease Agreements (No. 6) and the Guarantee Agreement (No. 6)                                  |
| “Sale and Lease Transaction (No. 7)” | collectively, the transactions contemplated under the Sale and Lease Agreements (No. 7) and the Guarantee Agreement (No. 7)                                  |
| “Share(s)”                           | ordinary share(s) of HK\$0.1 each in the capital of the Company  |
| “Shareholder(s)”                     | the holder(s) of Share(s)  |
| “Subject Assets”                     | collectively, the Subject Assets (No. 6) and the Subject Assets (No. 7)  |
| “Subject Assets (No. 6)”             | the assets comprising the (i) Premises (No. 6); (ii) Facilities and Equipment (No. 6); and (iii) Property Auxiliary and Supporting Facilities (No. 6)        |

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| “Subject Assets (No. 7)”                                 | the assets comprising the (i) Premises (No. 7); (ii) Facilities and Equipment (No. 7); and (iii) Property Auxiliary and Supporting Facilities (No. 7)  |
| “Supplemental Completion (No. 7)”                        | supplemental completion of the Sale (No. 7), details of which are set out under the paragraph headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7) – Completion”   |
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited  |
| “subsidiary(ies)”  | has the meaning ascribed to it under the GEM Listing Rules   |
| “Transfer Agreement of Facilities and Equipment (No. 6)” | the transfer agreement of facilities and equipment between KDCR and Bluesea Data dated 20 June 2022 in relation to Facilities and Equipment (No. 6) and Property Auxiliary and Supporting Facilities (No. 6), details of which are set out under the section headed “Sale and Lease Transaction (No. 6) – Sale and purchase of the Subject Assets (No. 6)” |
| “Transfer Agreement of Facilities and Equipment (No. 7)” | the transfer agreement of facilities and equipment between KDCR and Bluesea Data dated 20 June 2022 in relation to Facilities and Equipment (No. 7) and Property Auxiliary and Supporting Facilities (No. 7), details of which are set out under the section headed “Sale and Lease Transaction (No. 7) – Sale and purchase of the Subject Assets (No. 7)” |
| “VAT”  | Value-added tax imposed by the PRC government  |
| “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  |
| “Working Day”  | a day (other than a Saturday or Sunday or public holiday) on which banks are generally open in Jiangmen, the PRC and Singapore for normal business   |
| “%”  | per cent   |

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

Hong Kong, 23 June 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.*

*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\$1.163. 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.*

*The English transliteration of the Chinese name(s) in this announcement, where indicated with “\*”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*