

**NEO TELEMEDIA LTD:
HOW LONG CAN THIS COMPANY SURVIVE ?**

Two investment funds have sued publicly listed Neo Telemedia Ltd () (Code: 8167, The Growth Enterprise Market [The **GEM**] of The Stock Exchange of Hongkong Ltd) for \$HK149,026,191.41.

The two Plaintiffs in Action Number 1281 of 2015, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), are:

Arch Capital Ltd
Hillgo Asia Ltd

First Plaintiff
Second Plaintiff

The Defendant, Neo Telemedia Ltd, is engaged, inter alia, in investment holdings and the provision of network and satellite telecommunication services, as well as sales of telecommunications products in the PRC.

The two Plaintiffs are investment companies, both incorporated in the **British Virgin Islands (BVI)**.

According to the Statement of Claim, attached to Writ of Summons, Number 1281 of 2015, on April 5, 2013, Neo Telemedia allegedly issued two Convertible Notes, due in 2016, in favour of the First and Second Plaintiffs, in the aggregate amount of \$HK144 million.

Paragraph Six of the Statement of Claim alleges that Neo Telemedia defaulted '*in that the Defendant failed or refused to pay the accrued interests (sic) for the period from 5 October 2014 to 4 April 2015 that needed to be paid on the 24 months from the date of the issue of the Two Notes on 5 April 2013 in the respective sums of HK\$3,315,890.41 (for 1st Note) and HK\$1,710,301.00 (for 2nd Note).*'

Paragraph Seven of the Statement of Claim alleges that, on April 16, 2015, reminders were sent to the Defendant, '*requesting and demanding it to remedy its default ... by making payments of the outstanding accrued interests (sic) referred at paragraph 6 hereof.*'

From Paragraph Eight of the Statement of Claim, the Plaintiffs allege:

'Despite the said request and demand by the 1st and 2nd Plaintiff, the Defendant has failed or refused to remedy the said default of Condition 3(a) thereby rendering the respective principal sums owed by the Defendant under the Two Notes immediately payable to the 1st and 2nd Plaintiff.

'AND THE 1ST PLAINTIFF CLAIMS AGAINST THE DEFENDANT:

'1. The said principal sum of HK\$95,000,000.00;

'2. The said accrued interest HK\$3,315,890.41;

'3. Interest at the rate of 7% per annum on the said sum of HK\$95,000,000.00 from 5 April, 2015 to full payment of the said HK\$95,000,000.00; alternatively;

‘4. Interest at statutory rate on the judgment sum;

‘5. Costs;

‘6. Further and other relief.

‘AND THE 2ND PLAINTIFF CLAIMS AGAINST THE DEFENDANT:

‘1. The said principal sum of HK\$49,000,000.00;

‘2. The said accrued interest of HK\$1,710,301.00;

‘3. Interest at the rate of 7% per annum on the said sum of HK\$49,000,000.00 from 5 April, 2015 to full payment of the said HK\$49,000,000.00; alternatively;

‘4. Interest at statutory rate on the judgment sum;

‘5. Costs;

‘6. Further or other relief.’

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