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GAINHIGH HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

ASIA TELEMEDIA LIMITED

(In Liquidation)

亞洲電信媒體有限公司

(清盤中)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

JOINT ANNOUNCEMENT

**DESPATCH OF THE CIRCULAR
IN RELATION TO THE PROPOSED RESTRUCTURING OF
ASIA TELEMEDIA LIMITED (IN LIQUIDATION)
INVOLVING, INTER ALIA,
(1) PROPOSED CAPITAL RESTRUCTURING;
(2) PROPOSED SUBSCRIPTION FOR NEW SHARES AND
CONVERTIBLE NOTES;
(3) CREDITORS' SCHEME OF ARRANGEMENT;
(4) GROUP REORGANISATION;
(5) APPLICATION FOR WHITEWASH WAIVER
AND SPECIAL DEALS;
(6) PROPOSED CHANGE OF DIRECTORS; AND
(7) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
EXPECTED TIMETABLE FOR THE CAPITAL RESTRUCTURING**

DESPATCH OF THE CIRCULAR

The Liquidators and the Investor are pleased to announce that the circular dated 28 June 2011 containing, among others, (i) details of the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deals; (ii) a letter of advice from Investec Capital Asia Limited, the independent financial adviser to the Independent Shareholders in relation to the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deals; and (iii) a notice of the EGM, will be despatched to the Shareholders on 28 June 2011.

EXPECTED TIMETABLE FOR THE CAPITAL RESTRUCTURING

The expected timetable for the Capital Restructuring is set out in this announcement.

Completion of the Restructuring Proposal and the resumption of trading in the Shares are subject to the satisfaction and/or waiver of the conditions precedent to the Restructuring Agreement. The release of this announcement and the despatch of the circular is not an indication that the Restructuring Proposal will be completed or trading in the Shares will be resumed. Trading in the Shares has been suspended at the request of the Company since 2:54 p.m. on 18 March 2008 and will remain suspended until further notice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the joint announcements of the Investor and the Company dated 27 May 2011, 10 June 2011 and 17 June 2011 (the “Joint Announcements”). Capitalised terms used herein shall have the same meanings as defined in the Joint Announcements unless the context requires otherwise.

DESPATCH OF THE CIRCULAR

The Liquidators and the Investor are pleased to announce that the circular dated 28 June 2011 (the “Circular”) containing, among others, (i) details of the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deals; (ii) a letter of advice from Investec Capital Asia Limited, the independent financial adviser to the Independent Shareholders in relation to the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deals; and (iii) a notice of the EGM, will be despatched to the Shareholders on 28 June 2011.

Shareholders are advised to read carefully the contents of the Circular, in particular, the letter of advice from Investec Capital Asia Limited before considering the resolutions to be proposed at the EGM to approve the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Special Deals.

EXPECTED TIMETABLE FOR THE CAPITAL RESTRUCTURING

Set out below is the expected timetable for the Capital Restructuring:

The expected timetable for the Capital Restructuring set out below is for indicative purposes only and has been prepared on the assumption that all the conditions of the Capital Restructuring will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

2011

Latest time for lodging forms of proxy for the EGM 11:30 a.m. on Tuesday,
19 July

EGM 11:30 a.m. on Thursday, 21 July

Announcement of results of the EGM Thursday, 21 July

The following events are conditional on, among other things, the results of the EGM and the Court hearings in relation to the Capital Restructuring, the Scheme and the permanent stay of the winding-up order and the release and discharge of the Liquidators. The dates are therefore tentative.

Free exchange of existing share certificates

for new share certificates

in purple colour for New Shares commences Tuesday, 26 July

Effective date and time of the Capital Restructuring 4:30 p.m. on Tuesday,
9 August

Completion of the Restructuring Agreement and

the Subscription Agreement Tuesday, 9 August

Announcement of the Completion and

resumption of trading in the New Shares Tuesday, 9 August

Expected time and date of resumption
of trading in the New Shares 9:00 a.m. on
Wednesday, 10 August

Original counter for trading in the Shares
in board lots of 2,000 Shares
(in the form of existing share certificates in blue colour)
will instead be used for trading in the New Shares
in board lots of 2,000 New Shares
(in the form of new share certificates in purple colour) 9:00 a.m. on Wednesday,
10 August

Temporary counter for trading in the New Shares
in board lots of 40 New Shares
(in the form of existing share certificates in
blue colour) opens 9:00 a.m. on Wednesday,
10 August

Parallel trading in the New Shares (in the form of new and
existing share certificates) begins 9:00 a.m. on Wednesday,
10 August

Designated broker starts to stand in the market
to provide matching services for odd lots trading Wednesday, 10 August

Temporary counter for trading in the New Shares
in board lots of 40 New Shares (in the form
of existing share certificates in blue colour) closes 4:00 p.m. on Tuesday,
30 August

Parallel trading in the New Shares (in the form of new and
existing share certificates) ends 4:00 p.m. on Tuesday,
30 August

Designated broker ceases to stand in the market
to provide matching services for odd lots trading Tuesday, 30 August

Free exchange of existing share certificates
for new share certificates for New Shares ends Thursday, 1 September

TRADING ARRANGEMENTS

Share certificate exchange arrangement

To enable Shareholders having new certificates for the New Shares on the commencement day of the parallel trading (details of which have been set out below), Shareholders may from Tuesday, 26 July 2011 to Thursday, 1 September 2011 (both dates inclusive) submit certificates for the existing Shares to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange, at the expense of the Company, for new certificates for the New Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 for each certificate for the existing Shares cancelled or each new certificate issued for the New Shares, whichever number of certificates cancelled or issued is higher (or such higher amount as may from time to time be allowed by the Stock Exchange). It is expected that the certificates for the New Shares will be available within 10 business days from the date of submission of the certificates for the existing Shares.

After 4:00 p.m. on Tuesday, 30 August 2011, each of the certificates for the existing Shares will continue to be effective as documents of title for one-fiftieth of a New Share but will not be valid for trading, settlement and registration purpose.

Parallel trading arrangement

Following the effective date of the Capital Restructuring and subject to resumption of trading in the New Shares, the Company proposes the following trading arrangements for the Shareholders:

- (i) from 9:00 a.m. on Wednesday, 10 August 2011, the present counter for trading in the Shares in board lots of 2,000 Shares will be removed temporarily and a temporary counter for trading in the New Shares in board lots of 40 New Shares in the form of existing share certificates (in blue colour) will be set up. Existing share certificates for the Shares (in blue colour) may only be traded at this temporary counter;
- (ii) with effect from 9:00 a.m. on Wednesday, 10 August 2011, the present counter for trading in the New Shares in board lots of 2,000 New Shares will be re-opened. Only share certificates for the New Shares (in purple colour) will be traded at this counter;

- (iii) during the period from Wednesday, 10 August 2011 to Tuesday, 30 August 2011 (both dates inclusive), there will be parallel trading at the above two counters; and
- (iv) the temporary counter for trading in the New Shares in board lots of 40 New Shares (in the form of existing share certificates (in blue colour)) will be removed after the close of trading on Tuesday, 30 August 2011. Thereafter, trading will only be in the New Shares in board lots of 2,000 New Shares (represented by new share certificates in purple colour) and existing share certificates (in blue colour) will cease to be acceptable for dealing and settlement purposes. However, such certificates will continue to be good evidence of legal title to the New Shares on the basis of 50 Shares for one New Share and may be exchanged for new certificates for the New Shares at any time.

Facilities for odd lot holders

The existing board lot size of the Shares is 2,000 Shares. The New Shares will be traded in board lots of 2,000 New Shares. Any fractional entitlement to the New Shares will be aggregated, sold and retained for the benefits of the Company. In order to alleviate the difficulties arising from the existence of odd lots of the New Shares as a result of the Capital Restructuring, the Company has agreed to procure MHS to stand in the market to provide matching services for the odd lots of New Shares on a best effort basis, during the period from Wednesday, 10 August 2011 to Tuesday, 30 August 2011 (both dates inclusive). Holders of the New Shares in odd lots (i.e. lots which are not in integral multiples of 2,000 New Shares) who wish to take advantage of this matching facility either to dispose of their odd lots of the New Shares or to top up to board lots of 2,000 New Shares, may contact Mr. Tony Hui, Dealing Manager of MHS at Suites 1102-1103, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong at telephone number (852) 2843 1410 during office hours.

Holders of the New Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above facility.

Listing and dealing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares falling to be issued pursuant to the Restructuring Agreement and the Subscription Agreement.

Completion of the Restructuring Proposal and the resumption of trading in the Shares are subject to the satisfaction and/or waiver of the conditions precedent to the Restructuring Agreement. The release of this announcement and the despatch of the circular is not an indication that the Restructuring Proposal will be completed or trading in the Shares will be resumed. Trading in the Shares has been suspended at the request of the Company since 2:54 p.m. on 18 March 2008 and will remain suspended until further notice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

For and on behalf of
Gainhigh Holdings Limited
Ko Chun Shun, Johnson
Director

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

Hong Kong, 27 June 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.

The Liquidators, as agents of the Company, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Investor) and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Investor accepts full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Group or the Liquidators) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Company or the Liquidators) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.