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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Neo Telemedia Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN CERTAIN WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the board of directors of the Company is set out on pages 3 to 9 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Conference Room, Unit 1303, 13th Floor, York House, The Landmark, 15 Queen's Road Central, Hong Kong at 3:30 p.m. on 31 July 2012 is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding of the extraordinary general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.neo-telemedia.com.

13 July 2012

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET
 (“GEM”) OF THE STOCK EXCHANGE OF
 HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Agreement”	sale and purchase agreement dated 21 June 2012 entered into between the Company as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Sale Shares
“Announcement”	the announcement of the Company dated 21 June 2012
“Board”	board of directors of the Company
“B&S”	B&S Group Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of the Company prior to the Disposal
“Business Day(s)”	any day(s) (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	British Virgin Islands
“Company”	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (stock code: 8167)
“Completion”	completion of the Disposal pursuant to the Agreement
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the provisions of the Agreement
“EGM”	extraordinary general meeting of the Company to be convened and held for approving, among other things, the Agreement and the transaction contemplated thereunder
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM

DEFINITIONS

“Getbetter”	Getbetter Enterprises Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of the Company prior to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	11 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Purchaser”	Fintage Asia Corporation, a company incorporated in the BVI with limited liability and the purchaser under the Agreement
“PRC”	People’s Republic of China which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Remaining Group”	the Group immediately after Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	all issued shares of Getbetter and all issued shares of B&S
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Getbetter and its subsidiaries and B&S and its subsidiaries
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Hongrong
Mr. Theo EDE
Mr. HU Yangjun
Mr. ZHANG Xinyu

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. LAM Kin Kau, Mark
Professor SONG Junde
Professor CHEN Lujun

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 1303, 13th Floor
York House
The Landmark
15 Queen's Road Central
Hong Kong

13 July 2012

*To the Shareholders and, for information only,
holders of the share options of the Company*

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL IN GETBETTER ENTERPRISES
LIMITED AND B&S GROUP LIMITED**

INTRODUCTION

On 21 June 2012, the Board announced that the Company as vendor entered into the Agreement with the Purchaser as purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at a total consideration of HK\$8,000,000, which is payable in full on Completion.

LETTER FROM THE BOARD

The Disposal constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and will be subject to the approval of the Shareholders at the EGM.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further information regarding the Disposal, (ii) a notice of EGM, and (iii) other information as required under the GEM Listing Rules.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date: 21 June 2012

Parties: (i) Vendor: the Company
(ii) Purchaser: the Purchaser

To the best of the Directors' knowledge, information and belief having made sell reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons and is not a Connected Person.

Assets to be disposed:

Sale Shares:

1 share of US\$1.00, representing the entire issued share capital in Getbetter; and

a total of 30,000 shares of US\$1.00 each, representing the entire issued share capital in B&S.

Prior to the Disposal, the Company is the legal and beneficial owner of the Sale Shares and the Target Companies. Upon Completion, the Company will not hold any interest in the Target Companies, and the Target Companies will cease to be subsidiaries of the Company.

Getbetter and its three wholly-owned subsidiaries

(a) Company name	:	Getbetter Enterprises Limited
Date of incorporation	:	6 January 2005
Place of incorporation	:	BVI
Shareholder	:	The Company
Nature of business	:	Investment holding

LETTER FROM THE BOARD

- (b) Company name : Big Pictures Limited
Date of incorporation : 3 January 2005
Place of incorporation : Hong Kong
Shareholder : Getbetter
Nature of business : Film production in Hong Kong
- (c) Company name : Big Artiste Management Limited
Date of incorporation : 26 January 2005
Place of incorporation : Hong Kong
Shareholder : Getbetter
Nature of business : Artiste management in Hong Kong
- (d) Company name : Total Big Limited
Date of incorporation : 18 June 2008
Place of incorporation : Hong Kong
Shareholder : Getbetter
Nature of business : Film production in Hong Kong

B&S and its four wholly-owned subsidiaries

- (a) Company name : B&S Group Limited
Date of incorporation : 20 March 2002
Place of incorporation : BVI
Shareholder : The Company
Nature of business : Investment holding
- (b) Company name : Fleur Group Limited
Date of incorporation : 2 January 2002
Place of incorporation : BVI
Shareholder : B&S
Nature of business : Holding of copyrights in Hong Kong
- (c) Company name : Best Faith (Hong Kong) Limited
Date of incorporation : 16 May 1997
Place of incorporation : Hong Kong
Shareholder : B&S
Nature of business : Production and sale of videos and films, and licensing of videos and copyrights/film rights in Hong Kong
- (d) Company name : B&S Films Distribution Company Limited
Date of incorporation : 30 September 1998
Place of incorporation : Hong Kong
Shareholder : B&S
Nature of business : Inactive

LETTER FROM THE BOARD

- (e) Company name : B&S Films Production Limited
Date of incorporation : 14 January 1998
Place of incorporation : Hong Kong
Shareholder : B&S
Nature of business : Inactive

Consideration: The total consideration payable by the Purchaser to the Company for the Sale Shares amounts to HK\$8,000,000 and shall be paid in cash on Completion.

The consideration under the Agreement was arrived at after arm's length negotiations between the Company and the Purchaser and was determined with reference to, among others, the expected unaudited net asset value of the Target Companies on Completion.

Conditions: Completion of the Agreement is conditional upon:

- (a) if necessary, the Company having convened an EGM at which resolutions shall have been duly passed by the Shareholders to approve the Agreement and the transactions contemplated thereunder; and
- (b) the warranties set out in the Agreement remaining true and correct as at the date of Completion and as if repeated at all time between the date of the Agreement and the date of Completion.

The Purchaser may waive in writing any of the conditions precedents specified above (save and except condition (a)) at any time. If all the conditions specified above have not been satisfied or waived by 5:00 p.m. on 28 September 2012 (or such later date to be agreed between the parties to the Agreement in writing), then the Agreement lapse shall immediately and have no further effect and the parties shall be released from all their respective obligations under the Agreement save and except for any antecedent breach.

Completion: Completion shall take place on the second Business Days after the fulfillment of the conditions or such other date as the parties may mutually agree in writing under the Agreement.

LETTER FROM THE BOARD

FINANCIAL INFORMATION OF GETBETTER AND ITS SUBSIDIARIES

The unaudited consolidated net liabilities of Getbetter and its subsidiaries were approximately HK\$71,589,000 as at 30 June 2011. The unaudited consolidated net loss attributable to Getbetter and its subsidiaries for the two years ended 30 June 2010 and 2011 were as follows:

	Year ended 30 June	
	2011	2010
Loss before taxation and extraordinary items	HK\$1,917,000	HK\$19,925,000
Loss after taxation and extraordinary items	HK\$1,954,000	HK\$19,928,000

FINANCIAL INFORMATION OF B&S AND ITS SUBSIDIARIES

The unaudited consolidated net liabilities of B&S and its subsidiaries were approximately HK\$46,622,000 as at 30 June 2011. The unaudited consolidated net loss attributable to B&S and its subsidiaries for the two years ended 30 June 2010 and 2011 were as follows:

	Year ended 30 June	
	2011	2010
Loss before taxation and extraordinary items	HK\$1,000	HK\$56,000
Loss after taxation and extraordinary items	HK\$1,000	HK\$56,000

REASONS AND BENEFITS OF THE DISPOSAL

The Company completed an acquisition of a group of companies which is engaged in the business of traffic signboard advertising media in April 2011 and completed an acquisition of a group of companies which is engaged in the business of research and development and sale of telecommunication products, electronic products and computer software and hardware in the PRC in July 2011. The Directors believe that these newly acquired businesses have much potential for growth in the PRC and the venturing into these businesses in the PRC is an important move of the Group to benefit from these fast growing sectors.

The Company has decided to dispose of the businesses of film exhibition and film rights licensing and sub-licensing and artiste management, which have been continuously downsizing since the last financial year. The Directors do not foresee a significant turnaround in the near future and believe that it is more commercially favourable to dispose of the Target Companies and to put more focus and resources on the development and expansion of the newly acquired businesses. The Directors further believe that the Disposal would enable the Group to streamline its business and is therefore fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THIS DISPOSAL

Upon Completion, an expected loss of approximately HK\$10,964,000 will arise, being the sale proceeds less the unaudited net liabilities of the Target Companies of approximately HK\$118,204,000 as at 31 March 2012 and the total amount due from the Target Companies to the Company of approximately HK\$137,168,000 as at 31 March 2012 which will be waived by the Company prior to Completion. Shareholders should note that the actual loss on the Disposal to be recorded by the Group will depend on the net asset value of the Target Companies as at the date of Completion. The cash proceeds from the Disposal of approximately HK\$8,000,000 will be used as general working capital of the Group. The Directors expect that based on the assets and liabilities of the Target Companies, the total assets and total liabilities of the Group will be decreased upon Completion.

The unaudited consolidated loss of Getbetter and B&S were approximately HK\$1,954,000 and HK\$1,000, respectively, for the year ended 30 June 2011. There is no significant effect on earnings of the Remaining Group upon Completion because the sales of telecommunication products and providing wireless services and traffic signboard advertising will continue to make significant contribution of earnings to the Remaining Group upon Completion.

The Target Companies will cease to be subsidiaries of the Company upon Completion and the financial results of the Target Companies will no longer be consolidated into the Group's financial statements.

GENERAL

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are sales and distribution of telecommunication products, provision of wireless services, production and sales of videos and films, the design and production of traffic signboards, computer graphics, advertisements and signal systems equipment in the PRC, the licensing of video and copyrights/film rights and artiste management in Hong Kong.

The Purchaser is an investment holding company and together with its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

As Completion is conditional upon fulfillment of certain conditions, the Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

The Company has no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any disposal/termination/scaling-down of the Remaining Group's business or assets up to the Latest Practicable Date. The Company intends that after Completion, the Remaining Group will focus its resources on the sale of telecommunication products and provision of wireless services and design and production of traffic signboards, computer graphics, advertisements and signal system equipment.

Regarding the possible acquisition announced by the Company on 6 July 2012, as at the Latest Practicable Date, the Company was still in the course of conducting the due diligence exercise on the target business and no agreement had been entered into by the Group. Further announcement will be published by the Company as and when appropriate.

LETTER FROM THE BOARD

IMPLICATION UNDER THE GEM LISTING RULES

As the Disposal exceeds 25% but does not exceed 75% of one or more of the applicable percentage ratios (as defined in the GEM Listing Rules), it constitutes a major disposal for the Company under the GEM Listing Rules and is therefore subject to the approval of the Shareholders at the EGM. According to the GEM Listing Rules, any Shareholder and his/her/its associate(s) with a material interest in the Disposal are required to abstain from voting on the resolution in respect of the Disposal at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholder has any material interest in the Agreement and the transactions contemplated thereunder, and thereby no Shareholder is required to abstain from voting for the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

EGM

The Company will convene the EGM at Conference Room, Unit 1303, 13th Floor, York House, The Landmark, 15 Queen's Road Central, Hong Kong at 3:30 p.m. on 31 July 2012 (or any adjournment thereof), to consider and, if thought fit, pass the resolution to approve the Agreement and the transactions contemplated thereunder.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

RECOMMENDATION FROM THE BOARD

Having taken into account of the information set out above, the Board considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be put forward to the Shareholders at the EGM to consider, if thought fit, approve the Disposal and the respective transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
For and on behalf of the Board
LI Hongrong
Director

1. PROSPECTS OF THE REMAINING GROUP

The Remaining Group will focus its resources on the sale of telecommunication products and provision of wireless services and design and production of traffic signboards, computer graphics, advertisements and signal system equipment.

The design and production of traffic signboards, computer graphics, advertisements and signal system equipment business will continue to explore the market of major cities throughout China, such as cities in the Changjiang River Delta and Pearl River Delta, the Group's major target for 2012 is to explore the market of municipalities in China, such as Beijing, Shanghai, Guangzhou and Shenzhen.

The sale of telecommunication products and provision of wireless services will continue to provide high-quality telecommunication services and are expected to be profitable. The Group is granted an exclusive right to sell and market the HTS filtering solutions in Guangdong and Guangxi, the PRC. The Directors consider that the HTS filtering solutions business will enhance the Group's existing development on the telecommunication value-added products and contribute cash flows as well as profits to Group.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2012, being the latest practicable date for the purpose of this indebtedness prior to the printing of this circular, the Group had indebtedness as follows:

	<i>HK\$'000</i>
Other payables	<u>23,487</u>

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business of the Group, as at the close of business on 31 May 2012, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loan, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities outstanding at the close of business on 31 May 2012.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities or guarantees since 31 May 2012.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources and banking facilities available to the Remaining Group and its internal generated funds and the Disposal, the Directors are of the opinion that the Remaining Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 document misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

(a) Interests in the Shares, underlying Shares, of the Directors and chief executive

As at the Latest Practicable Date, there were no interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors:

Long positions in Shares as at the Latest Practicable Date

Name of Director	Capacity/ nature of interest	Position	No. of Shares held	Approximate shareholding percentage
Mr. LI Hongrong	Interest of controlled corporation (<i>Note</i>)	Long	13,038,000	0.56%

Note: These Shares are held by Tread Up Investments Limited, the entire issued share capital of which is beneficially owned by Mr. LI Hongrong. Thus, Mr. LI Hongrong is deemed to be interested in all Shares held by Tread Up Investments Limited pursuant to the SFO.

Particulars of the share options as at the Latest Practicable Date

Name of Director	Capacity/ nature of interest	No. of options held	No. of underlying Shares	Approximate shareholding percentage
Mr. HU Yangjun	Beneficial owner	15,000,000	15,000,000	0.64%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than Directors or chief executives of the Company) or corporations had interests or short positions, if any, in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group were as follows:

Interests in the Company

Name of Shareholder	Capacity/nature of interest	Position	No. of Shares held	Approximate shareholding percentage
Mr. LIE Haiquan	Beneficial owner	Long	212,462,000	9.13%

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payments of compensation (other than statutory compensation)).

5. CONTRACTS OR ARRANGEMENTS AND COMPETING BUSINESSES

As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 30 June 2011 (the date to which the latest published audited consolidated financial statements of the Company were made up).

As at the Latest Practicable Date, none of the Directors and/or his/her associates was interested in any business which competed or might compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 June 2011, being the date to which the latest published audited accounts of the Group were made up.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date are or may be material:

- (a) a conditional agreement dated 2 August 2010 entered into between the Company as purchaser and Mr. Cheung Sing Tai as vendor in relation to the acquisition of the entire issued share capital of Smart Long Limited;
- (b) a conditional subscription agreement dated 24 May 2011 entered into between the Company as issuer and Standard Bank Plc as subscriber in relation to the issue of the zero coupon unsecured convertible bonds due 2012 in the principal amount of HK\$25,000,000 convertible into the ordinary shares of HK\$0.01 each in the share capital of the Company;
- (c) a conditional placing agreement dated 22 November 2011 entered into between the Company as issuer and Kingston Securities Limited as placing agent in relation to the placing of a maximum of 270,000,000 shares of the Company as HK\$0.30 per share; and
- (d) the Agreement.

8. LITIGATION

As at the Latest Practicable Date, to the best knowledge of the Directors, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is situated at Unit 1303, 13th Floor, York House, The Landmark, 15 Queen's Road Central, Hong Kong.
- (b) The Company's principal share registrar and transfer office is HSBC Trustee (Cayman) Limited, P.O. Box 484, HSBC House, 68 West Bay Road, Grand Cayman, KY1-1106, Cayman Islands.
- (c) The Company's branch share registrar in Hong Kong is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The compliance officer of the Company is Mr. Theo EDE. Mr. Ede is also an executive Director. He was graduated from the department of philosophy of Freiburg University in Germany and obtained a Master degree of Arts. Mr. Ede has served with various international enterprises such as General Electric Company in Europe and Nanhua Futures Company, Limited in PRC as a senior management member. He is familiar with international capital market and deeply comprehensive of the development of macroeconomy, holding professional qualification of futures industry in PRC.
- (e) The company secretary of the Company is Mr. YUEN Poi Lam. Mr. Yuen is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants.

10. AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are (a) to review the Group's annual reports, interim reports and quarterly reports; (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process and internal control procedures of the Group.

The audit committee consists of all of the Company's independent non-executive Directors, namely Mr. LAM Kin Kau, Mark, Professor SONG Junde and Professor CHEN Lujun. The chairman of the audit committee is Mr. LAM Kin Kau, Mark, who possesses extensive experience in finance and accounting. Further details of them are as follows:

Mr. LAM Kin Kau, Mark, aged 57, was appointed as an independent non-executive Director on 31 March 2005. Mr. Lam is a practicing certified public accountant in Hong Kong and a member of the Institute of Chartered Accountants in England and Wales. Mr. Lam is also members of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators respectively. He has over 23 years of experience in professional auditing, accounting and financial management. Mr. Lam is currently the sole proprietor of Messrs. Mark K. Lam & Co., certified public accountants, which is specialized in providing professional auditing and corporate advisory services to various private and public entities. He is also the independent non-executive director of CCT Resources Holdings Ltd., which is listed on the GEM of the Stock Exchange.

Professor SONG Junde, aged 73, was appointed as an independent non-executive Director on 14 July 2010. He is a professor and doctoral supervisor of Computer College of Beijing University of Posts and Telecommunications. He is currently a director of PCN&CAD centre, Beijing University of Posts and Telecommunications, which is a key ministerial-level laboratory of Ministry of Industry and Information Technology (MIIT), chairman of CMIS of China Communications Standards Association (CCSA), honorary doctor of Moscow Institute of Electronic Engineering, subject appraisal group member of Academic Degrees Committee of the State Council, postdoctoral evaluation expert of Ministry of Personnel, Chinese chairman of IFIP TC7 of International Federation for Information Processing, communication technology committee member of Ministry of Information Industry and professional consultant of satellite and radio, specialist of Expert Advisory Committee of CCSA, expert of Technical Committee of CCSA, deputy director of Network and Data Communications Professional Committee of China Computer Federation, director of PCN&CAD centre and CTI research centre which are key ministerial-level laboratories of Ministry of Information Industry. He previously held various positions in Beijing University of Posts and Telecommunications including chairman of Academic Degrees Committee and dean of Graduate School.

Professor CHEN Lujun, aged 46, is a Doctor of Engineering, Professor of Department of Environmental Science and Engineering, Tsinghua University and a doctoral tutor. He worked as a Deputy Director of Yangtze Delta Region Institute of Tsinghua University, Zhejiang. He is currently the Director of Centre for Technology and Policy research of Pollutants Control and Environmental Quality Improvement, Tsinghua University, the Director of Research Institute for Environmental, Yangtze Delta Region Institute of Tsinghua University, Zhejiang, a member of the 10th Committee of the All-China Youth Federation, Vice President of China Youth Association for Economic Development and one of Provincial Middle-aged and Young Talents with Outstanding Contributions of Zhejiang Province. He organized and completed almost 100 environmental projects, and undertook and participated to complete a number of national and provincial research projects. He also won various national and provincial awards. He is also the winner of the 1st and 3rd Scientific and Technological Award for Young Scholar of Chinese Society for Environmental Sciences.

11. MATERIAL ADVERSE CHANGE

Save as those disclosed herein, the Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 30 June 2011, the date to which the latest published audited consolidated financial statements of the Group were made up.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and principal place of business of the Company in Hong Kong at Unit 1303, 13th Floor, York House, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours on any weekdays other than public holidays for a period of 14 days from the date hereof:

- (a) the material contracts as referred to in the section headed "Material Contracts" in this Appendix;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for each of the two years ended 30 June 2010 and 2011; and
- (d) this circular.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Neo Telemedia Limited (the “**Company**”) will be held at Conference Room, Unit 1303, 13th Floor, York House, The Landmark, 15 Queen’s Road Central, Hong Kong on 31 July 2012 at 3:30 p.m, for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution:

ORDINARY RESOLUTIONS

“**THAT**

- (1) the sale and purchase agreement dated 21 June 2012 (the “**Agreement**”, a copy of which has been produced to the meeting marked as “**A**” and signed by the chairman of the Meeting for the purpose of identification) entered into between the Company as vendor and Fintage Asia Corporation as purchaser in relation to the sale and purchase of the entire issued share capital of B&S Group Limited (a company incorporated in the British Virgin Islands) and Getbetter Enterprises Limited (a company incorporated in the British Virgin Islands) at a consideration of HK\$8,000,000 which shall be paid in cash on completion of the Agreement, further details of which are set out in the circular of the Company dated 13 July 2012 (a copy of which has been produced to the Meeting marked as “**B**” and signed by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (2) the directors of the Company are hereby authorised to do all such further acts and things and execute such further documents which in their opinion may be necessary or expedient to give effect to the terms of the Agreement or any of the transactions contemplated thereunder.

By order of the Board
Neo Telemedia Limited
LI Hongrong
Executive Director

Hong Kong, 13 July 2012

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 1303, 13th Floor
York House, The Landmark
15 Queen's Road Central
Hong Kong

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
2. Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a registered shareholder of the Company.
3. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tegniss Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.