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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)

COMPLETION OF A MAJOR TRANSACTION
DISPOSAL OF SUBSIDIARIES

Reference is made to the announcements dated 21 June 2012 and 31 July 2012 respectively and the circular dated 13 July 2012 (the “**Circular**”) of Neo Telemedia Limited (the “**Company**”) containing information on, among other things, disposal of subsidiaries. Unless otherwise specified in this announcement, terms used herein shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that all conditions precedent set out in the Agreement have been fulfilled and completion of the Disposal took place on 28 September 2012. Following Completion, each of the Target Companies has ceased to be a subsidiary of the Company. As the Company no longer controls the respective board of directors of the Target Companies and the business operation of the Target Companies, the Company will cease to consolidate the financial statements of the Target Companies after Completion.

By order of the Board
Neo Telemedia Limited
LI Hongrong
Chairman

Hong Kong, 28 September 2012

As at the date hereof, the Board is comprised of four executive directors namely LI Hongrong, Theo EDE, HU Yangjun and ZHANG Xinyu (Chief Executive Officer); and three independent non-executive directors, namely LAM Kin Kau, Mark, Professor SONG Junde and Professor CHEN Lujun.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven days from the date of its posting and on the website of the Company at www.neo-telemedia.com.