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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
AMENDMENTS IN RELATION TO SALE AND OPERATION AGREEMENT

The Board announces that on 30 July 2013 (after trading hours), the Company and Spacecom entered into the 3rd Amendment Agreement, pursuant to which the Company and Spacecom agreed to, among other things, amend and supplement the terms of the Sale and Operation Agreement and the Company and Spacecom agreed to extend the Long Stop Date to 31 October 2013 and revise the timing of payment of the Down Payment of US\$5,000,000.

Reference is made to the announcements of the Company dated 15, 25 April 2013 and 13 June 2013 (the “**Announcements**”) in relation to, among other things, the entering into of the sale and operation agreement (the “**Sale and Operation Agreement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

The Board announces that on 30 July 2013 (after trading hours), the Company and Spacecom entered into the 3rd amendment agreement (the “**3rd Amendment Agreement**”), pursuant to which the Company and Spacecom agreed to, among other things, amend and supplement the terms of the Sale and Operation Agreement and the Company and Spacecom agreed to extend the Long Stop Date to 31 October 2013 and revise the timing of payment of the refundable down payment (the “**Down Payment**”) of US\$5,000,000.

The principal amendments of the 3rd Amendment Agreement, which amend and supplement certain terms of the Sale and Operation Agreement, are set out as follows:

1. CONSIDERATION

The refundable Down Payment of US\$5,000,000 (exclusive of all applicable taxes) shall be paid in cash by the Company no later than 15 August 2013, regardless if all conditions set forth in the Sale and Operation Agreement have been fulfilled or not. Spacecom agreed that the Company shall deduct from the Down Payment the amount of US\$2,000,000 due to the Company from Spacecom under the Sale and Operation Agreement and the total amount due to Spacecom from the Company for the Refundable Down Payment following such deduction shall be US\$3,000,000 (exclusive of all applicable taxes).

2. LONG STOP DATE

The Company and Spacecom agreed to extend the Long Stop Date to 31 October 2013. If the approvals under the Sale and Operation Agreement shall not be obtained by 31 October 2013, the Sale and Operation Agreement shall terminate forthwith immediately after the non-fulfillment of any of the conditions under the Sale and Operation Agreement. Upon such termination of the Sale and Operation Agreement, Spacecom shall refund to the Company the Down Payment received by Spacecom from the Company, together with interest thereon calculated at a rate of 5% (five percent) per annum within 14 (fourteen) Business Days after the date of the termination. Following such termination and the receipt by the Company of the reimbursement of the Down Payment and interest calculated thereon as aforesaid, neither party to the Sale and Operation Agreement shall have any liability towards the other with respect to such termination.

Save and except for the aforesaid amendments to the Sale and Operation Agreement, all other principal terms of the Sale and Operation Agreement shall remain unchanged and valid.

By order of the Board
Neo Telemedia Limited
ZHANG Xinyu
Executive Director

Hong Kong, 30 July 2013

As at the date hereof, the Board comprises five executive directors namely Mr. Theo EDE, Mr. HU Yangjun, Mr. ZHANG Xinyu (Chief Executive Officer), Mr. CHEUNG Sing Tai and Mr. LIAN Xin; and three independent non-executive directors, namely Dr. Jih Chyi LEU (Chairman), Mr. LAM Kin Kau, Mark and Professor SONG Junde.

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 or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at 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.