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 31 October 2013 (after trading hours), the Company and Spacecom entered into the 4th 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 pursuant to which the Company and Spacecom agreed to extend the Long Stop Date to 31 March 2014 and revise the aggregate consideration for the entire Ka-beam of AMOS-4 to US$65,000,000.

Reference is made to the announcements of the Company dated 15, 25 April 2013, 13 June 2013 and 30 July 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 31 October 2013 (after trading hours), the Company and Spacecom entered into the 4th amendment agreement (the "**4th 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 pursuant to which the Company and Spacecom agreed to extend the Long Stop Date to 31 March 2014 and revise the aggregate consideration for the entire Ka-beam of AMOS-4 to US$65,000,000.

The principal amendments of the 4th Amendment Agreement, which amend and supplement certain terms of the Sale and Operation Agreement, are set out as follows:

1. CONSIDERATION

(a) The amount of down payment of US$5,000,000 was cancelled;

(b) The originally referred second payment of an amount of US$15,000,000 (exclusive of all applicable taxes) shall be paid in cash by the Company no later than 5 April 2014, following (i) the fulfillment of all conditions set forth in the Agreement; and (ii) the successful launch of AMOS-4; and

(c) No amendment to the payment arrangement of the remaining amount of US$50,000,000.

2. LONG STOP DATE

The Company and Spacecom agreed to extend the Long Stop Date to 31 March 2014. If the approvals under the Sale and Operation Agreement shall not be obtained by 31 March 2014, the Sale and Operation Agreement shall terminate forthwith immediately after the non-fulfillment of any of the conditions under the Sale and Operation Agreement.

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, 31 October 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.