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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)

LAPSE OF MAJOR TRANSACTION IN RELATION TO SALE AND OPERATION AGREEMENT

Reference is made to the announcements of Neo Telemedia Limited (the “**Company**”) dated 15, 25 April 2013, 13 June 2013, 30 July 2013 and 31 October 2013 (the “**October Announcement**”, and collectively the “**Announcements**”), in relation to, among other things, the entering into of the sale and operation agreement (the “**Sale and Operation Agreement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As stated in the October Announcement, the Long Stop Date was extended to 31 March 2014 (the “**Extended Long Stop Date**”) and if the approvals under the Sale and Operation Agreement are not obtained by the Extended Long Stop Date, the Sale and Operation Agreement shall terminate forthwith immediately. As the approvals under the Sale and Operation Agreement had not been obtained by the Extended Long Stop Date, the Sale and Operation Agreement therefore lapsed.

The Board considers that the lapse of the Sale and Operation Agreement will not have any material adverse impact on the business, operation and financial position of the Group.

By Order of the Board
Neo Telemedia Limited
CHEUNG Sing Tai
Chairman

Hong Kong, 26 May 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHEUNG Sing Tai (Chairman and Chief Executive Officer), Mr. ZHANG Xinyu and Mr. LIAN Xin, and three independent non-executive Directors, namely Mr. LEUNG Ka Wo, Mr. CHOU Jianzhong and Ms. XI Lina.

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 the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market 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.