THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 (the "**Company**"), you should at once hand this circular together with the accompanying form of proxy 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.

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)

PROPOSED BONUS ISSUE OF SHARES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting to be held at Empire Room 1, 1/F., Empire Hotel Hong Kong Wan Chai, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 5 June 2015, at 11:00 a.m. is set out on pages 12 to 14 of this circular and a form of proxy for use at the extraordinary general meeting is enclosed herein.

Whether or not you are able to attend and vote at the extraordinary general meeting or any adjournment thereof in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. The 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.

20 May 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF 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.

CONTENTS

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

"Board"	the board of Directors
"Bonus Issue"	the proposed allotment and issue of Bonus Shares to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one Bonus Share for every one existing Share held
"Bonus Share(s)"	the new Share(s) to be allotted and issued by way of Bonus Issue by the Company as described in this circular
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
"Convertible Notes"	convertible notes issued by the Company bearing a coupon rate of 7% per annum due 4 April 2016 in an aggregate outstanding principal amount of HK$160,000,000 as at the date of this announcement and convertible into 64,000,000 new Shares upon exercise of the conversion rights attached thereto
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Bonus Issue
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries

"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	18 May 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
"Non-qualifying Shareholder(s)"	Overseas Shareholders who are excluded from the Bonus Issue and as detailed in the section headed "Overseas Shareholders" in this circular
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown in the register of members on that date is(are) outside Hong Kong
"Qualifying Shareholder(s)"	holder(s) of Shares, not being Non-Qualifying Shareholders, whose names are shown on the register of members of the Company on the Record Date and who will be entitled to the Bonus Issue
"Record Date"	Tuesday, 16 June 2015, being the date for ascertaining and determining the entitlement of the Shareholders to the Bonus Issue
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option(s)"	the share option(s) granted under the Share Option Schemes

"Share Option Schemes"	the share option scheme currently in force adopted by the Company on 19 December 2012 and the share option scheme adopted by the Company on 22 July 2002 which was expired on 21 July 2012
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%" or "per cent"	percentage

EXPECTED TIMETABLE

The expected timetable relating to the Bonus Issue is set out below:

	2015
Latest time for lodging transfer documents and relevant share certificates to be eligible to attend and vote at the EGM	4:30 p.m. on Tuesday, 2 June
Closure of register of members of the Company for the purpose of ascertaining Shareholders' eligibility to attend and vote at the EGM for the Bonus Issue	Wednesday, 3 June to Friday, 5 June (both days inclusive)
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 3 June
EGM	11:00 a.m. on Friday, 5 June
Announcement of the result of the EGM	Friday, 5 June
Last day of dealings in the Shares on a cum-entitlement basis in respect of the Bonus Issue	Monday, 8 June
First day of dealings in the Shares on an ex-entitlement basis in respect of the Bonus Issue	Tuesday, 9 June
Latest time for lodging forms of transfer of Shares in order to be entitled to the Bonus Shares	4:30 p.m. on Wednesday, 10 June
Closure of register of members of the Company for determining entitlement to the Bonus Issue	Thursday, 11 June to Tuesday, 16 June (both days inclusive)
Record Date	Tuesday, 16 June
Register of members of the Company re-opens	Wednesday, 17 June

EXPECTED TIMETABLE

Despatch of share certificates for Bonus Shares on or before	Friday, 19 June
Dealings in the Bonus Shares commence	Monday, 22 June

Note: All times in this circular refer to Hong Kong times.

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. CHEUNG Sing Tai
Mr. ZHANG Xinyu
Mr. LIAN Xin
Ms. YE Weiping

Independent non-executive Directors:
Mr. LEUNG Ka Wo
Mr. CHOU Jianzhong
Ms. XI Lina
Mr. HUANG Zhixiong

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 1504, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

20 May 2015

To the Shareholders

Dear Sir or Madam,

PROPOSED BONUS ISSUE OF SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

On 8 May 2015, the Board announced, among other things, the proposed Bonus Issue.

The purpose of this circular is to provide you with further information regarding, among other things, the Bonus Issue and to give you the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Bonus Issue.

PROPOSED BONUS ISSUE

The Board proposed a Bonus Issue of new Shares on the basis of one Bonus Share for every one existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an appropriate amount out of the Company's share premium account. The terms of the Bonus Issue are set out below.

Basis of the Bonus Issue

Subject to the conditions set out under the heading "Conditions of the Bonus Issue" below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one Bonus Share for every one existing Share held on the Record Date by the Qualifying Shareholders.

On the basis of 3,057,920,793 existing Shares in issue as at the Latest Practicable Date, and assuming (i) no further Shares will be issued or repurchased; (ii) no Convertible Notes will be converted prior to the Record Date and (iii) no Share Options will be exercised prior to the Record Date, it is anticipated that 3,057,920,793 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an appropriate amount in the share premium account of the Company. After the completion of the Bonus Issue, there will be a total of 6,115,841,586 Shares in issue as enlarged by the Bonus Issue.

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-Qualifying Shareholders are further elaborated below under the heading "Overseas Shareholders".

The register of members of the Company will be closed from 11 June 2015 to 16 June 2015 (both days inclusive), during which no transfer of the Shares will be effected, in order to ascertain and determine the entitlement of the Shareholders under the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 10 June 2015.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

Reasons for the proposed Bonus Issue

In recognition of the continual support of the Shareholders, the Board decided to propose the Bonus Issue. In addition, the Directors believe that the Bonus Issue will (i) allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account of the Company; (ii) enhance the liquidity of the Shares in the market and thereby enlarging the Shareholder and capital base of the Company; and (iii) be a return to the long-term support of the Shareholders.

Overseas Shareholders

As at the Latest Practicable Date, there was no Overseas Shareholder. Should there be any Overseas Shareholders whose addresses as registered in the register of members of the Company on the Record Date are outside Hong Kong, enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules for those Overseas Shareholders. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Non-qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK$100.00, in which case it will be retained for the benefit of the Company.

Status of Bonus Shares

The Bonus Shares, upon issue, will rank pari passu in all respects with the Shares then in issue, including the entitlement to receiving dividends and other distributions on the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Conditions of the Bonus Issue

Completion of the Bonus Issue is conditional upon:

(i) the approval of the Bonus Issue by the Shareholders at the EGM;

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Bonus Shares; and

(iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transaction between participants of the Stock Exchange on any trading date is required to take place in CCASS on the second trading date thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Adjustments to conversion price and number of Shares falling to be issued upon exercise of the conversion rights of the Convertible Notes

As at the Latest Practicable Date, there are outstanding Convertible Notes in an aggregate principal amount of HK$160,000,000. The Bonus Issue may lead to adjustment to the conversion price and/or the number of Shares which may fall to be issued upon exercise of the conversion rights attaching to the Convertible Notes. In view of the fact that the exact number of the Bonus Shares may not be determined until the Record Date, the Company will make further announcement upon the aforesaid adjustments to the Convertible Notes having been determined.

Adjustment to exercise price and number of Shares falling to be issued upon exercise of the Share Options

As at the Latest Practicable Date, there are 73,000,000 outstanding Share Options. The Bonus Issue may lead to adjustment to the exercise price and/or the number of Shares which may fall to be issued upon exercise of the Share Options. In view of the fact that the exact number of the Bonus Shares may not be determined until the Record Date, the Company will make further announcement upon the aforesaid adjustments to the Share Options having been determined.

Save for the aforesaid Convertible Notes and Share Options, the Company has no outstanding options, warrants or convertible instruments which are convertible or exchangeable into any Shares as at the date of this announcement.

Certificates for the Bonus Shares

It is expected that certificates for the Bonus Shares will be posted by ordinary mail on 19 June 2015 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on 22 June 2015.

Expected Timetable

The expected timetable for the Bonus Issue is set out on page 4 of this circular. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXTRAORDINARY GENERAL MEETING

The proposed Bonus Issue is subject to the Shareholders' approval at the EGM. As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the GEM Listing Rules to abstain from voting on the resolution regarding the Bonus Issue at the EGM.

A notice of the EGM is set out on pages 12 to 14 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

RECOMMENDATION

The Directors are of the opinion that the Bonus Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

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 Group. 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 circular misleading.

GENERAL

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

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 IS HEREBY GIVEN THAT the extraordinary general meeting of Neo Telemedia Limited (the "**Company**") will be held at Empire Room 1, 1/F., Empire Hotel Hong Kong Wan Chai, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 5 June 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**, subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") granting the listing of, and permission to deal in, the Bonus Shares (as defined below) to be issued pursuant to this resolution:

(a) upon the recommendation of the board of directors of the Company ("**Directors**"), an amount standing to the credit of the share premium account of the Company be capitalised and the Directors be and are hereby authorised and directed to apply such amount in paying up in full at par new ordinary shares of HK$0.10 each in the capital of the Company ("**Bonus Share(s)**"), and that such Bonus Shares shall be allotted and distributed, credited as fully paid at par, to and among the shareholders of the Company whose names appear on the register of members of the Company ("**Register of Members**") at the close of business on Tuesday, 16 June 2015 ("**Record Date**"), other than those members ("**Non-qualifying Shareholders**") whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange, on the basis of one Bonus Share for every one existing share of HK$0.10 in the capital of the Company then held on the Record Date ("**Bonus Issue**");

(b) the Bonus Shares shall, subject to the applicable laws of Cayman Islands and the articles of association of of the Company, rank *pari passu* in all respects with the shares of HK$0.10 each in the capital of the Company in issue on the day on which the Bonus Shares are allotted and issued, except that they will not be eligible for the Bonus Issue;

(c) the Directors be and are hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Non-qualifying Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK$100.00, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and

(d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares."

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

Hong Kong, 20 May 2015

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

Principal place of business in Hong Kong:
Unit 1504, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Notes:

1. Any member entitled to attend and vote at the extraordinary general meeting (or its adjourned meeting) is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or poll concerned if he so wishes. In the event of a member who has lodged a form of proxy attending the meeting, his form of proxy will be deemed to have been revoked.

3. In order to be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not later than 24 hours before the time appointed to the taking of the poll.

4. In the case of joint holders of a share, any one of such holders may vote at the meeting, either personally, by proxy, in respect of such shares as if he were solely entitled thereto but if more than one of such joint holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

5. As at the date of this notice, the Board comprises four executive Directors, namely Mr Cheung Sing Tai (Chairman and Chief Executive Officer), Mr. Zhang Xinyu, Mr. Lian Xin and Ms. Ye Weiping, and four independent non-executive Directors, namely Mr. Leung Ka Wo, Mr. Chou Jianzhong, Ms. Xi Lina and Mr. Huang Zhixiong.