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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 THE BONUS ISSUE
AND
ADJUSTMENTS TO THE OUTSTANDING CONVERTIBLE
NOTES AND
THE OUTSTANDING SHARE OPTIONS
AS A RESULT OF THE BONUS ISSUE**

COMPLETION OF THE BONUS ISSUE

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, a total of 3,077,920,793 Bonus Shares were issued on 19 June 2015 pursuant to the Bonus Issue.

ADJUSTMENTS TO THE OUTSTANDING CONVERTIBLE NOTES

As a result of the Bonus Issue, the conversion price and the number of Shares which may fall to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be adjusted in the manner as described herein.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Bonus Issue, the exercise price of the Share Options and the number of the outstanding Share Options granted under the Share Option Schemes will be adjusted in the manner as described herein.

Reference is made to the circular of Neo Telemedia Limited (the “**Company**”) dated 20 May 2015 in relation to proposed bonus issue of shares (the “**Circular**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise defined.

COMPLETION OF THE BONUS ISSUE

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, a total of 3,077,920,793 Bonus Shares were issued on 19 June 2015 pursuant to the Bonus Issue. As a result of the Bonus Issue, the number of Shares in issue has been increased to 6,155,841,586 Shares as at the date of this announcement.

ADJUSTMENTS TO THE OUTSTANDING CONVERTIBLE NOTES

As at the date of this announcement, the Company has outstanding Convertible Notes in an aggregate principal amount of HK\$160,000,000, bearing a coupon rate of 7% per annum due on 4 April 2016 and convertible into 64,000,000 new Shares at the conversion price of HK\$2.5 per conversion share of the Company.

As a result of the Bonus Issue, the conversion price of the Convertible Notes and the number of Shares falling to be issued upon exercise of the conversion right of the Convertible Notes will be adjusted pursuant to the terms and conditions of the Convertible Notes with effect from 17 June 2015.

The table below sets out the conversion price in respect of and the number of Shares falling to be issued upon exercise of the conversion right of the Convertible Notes before and after the completion of the Bonus Issue.

Before completion of the Bonus Issue		After completion of the Bonus Issue	
Conversion price <i>(HK\$)</i>	Number of Shares falling to be issued upon exercise of the conversion rights of the Convertible Notes	Conversion price <i>(HK\$)</i>	Number of Shares falling to be issued upon exercise of the conversion rights of the Convertible Notes
2.50	64,000,000	1.25	128,000,000

Save for the above adjustments, all other terms and conditions of the Convertible Notes remain unchanged. The Company’s auditor has reviewed and confirmed in writing the adjustment to the conversion price and the number of Shares falling to be issued upon exercise of the conversion right of the Convertible Notes.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Immediately before the completion of the Bonus Issue, there were 53,000,000 outstanding Share Options granted under the Share Option Schemes. As a result of the Bonus Issue, the exercise price and the number of outstanding Share Options will be adjusted in the following manner with effect on 19 June 2015.

	Before completion of the Bonus Issue		After completion of the Bonus Issue	
	Number of outstanding Share Options	Exercise price HK\$	Adjusted number of outstanding Share Options	Adjusted exercise price HK\$
Share Options granted on 8 April 2011	3,000,000	1.070	6,000,000	0.535
Share Options granted on 3 April 2013	50,000,000	0.628	100,000,000	0.314

Save for the above adjustments, all other terms and conditions of the outstanding Share Options granted under the Share Option Schemes remain unchanged. The Company's auditor has reviewed and confirmed in writing has reviewed and confirmed in writing the adjustments to the outstanding Share Options granted under the Share Option Schemes.

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

Hong Kong, 19 June 2015

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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.