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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)

**(1) RESULTS OF THE OPEN OFFER ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO SHARES HELD
ON THE RECORD DATE; AND
(2) ADJUSTMENTS TO THE SHARE OPTIONS AND THE
CONVERTIBLE NOTES**

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that all of the conditions set out in the Underwriting Agreement have been fulfilled, the Underwriting Agreement and the Open Offer became unconditional at 4:00 p.m. on Monday, 28 December 2015.

At 4:00 p.m. on Tuesday, 22 December 2015, being the latest time for acceptance of, and payment for the Offer Shares, a total of 10 valid acceptances in respect of 1,750,394,091 Offer Shares provisionally allotted under the Open Offer were received (inclusive of 811,720,000 Offer Shares subscribed by the Underwriter, Mr. Lie and Golden Ocean pursuant to the Irrevocable Undertakings), representing approximately 55.11% of the total number of the Offer Shares available for subscription under the Open Offer.

Based on the above results, the Open Offer was under-subscribed by 1,425,887,357 Offer Shares. Accordingly, the Underwriter, which is a company wholly and beneficially owned by Mr. Lie, has subscribed for all the Untaken Shares, being 1,425,887,357 Offer Shares, pursuant to the Underwriting Agreement.

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched by the Registrar to those relevant Shareholders' addresses (as shown on the register of members of the Company) by ordinary post on or before Wednesday, 30 December 2015 at their own risks.

Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 31 December 2015.

ADJUSTMENTS TO THE SHARE OPTIONS AND THE CONVERTIBLE NOTES

The Board further announces that as a result of the Open Offer, adjustments will be made to (i) the exercise prices of the outstanding Share Options and the number of Shares to be allotted and issued upon exercise of the outstanding Share Options in accordance with the terms of the share option schemes of the Company and the GEM Listing Rules; and (ii) the conversion price of the outstanding Convertible Notes.

Reference is made to the prospectus of Neo Telemedia Limited (the “**Company**”) dated 8 December 2015 (the “**Prospectus**”) in relation to the Open Offer. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

RESULTS OF THE OPEN OFFER

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Underwriting Agreement

Based on the above results, the Open Offer was under-subscribed by 1,425,887,357 Offer Shares (the “**Untaken Shares**”). Accordingly, the Underwriter, which is a company wholly and beneficially owned by Mr. Lie, has subscribed for all the Untaken Shares, being 1,425,887,357 Offer Shares, pursuant to the Underwriting Agreement. Further details are set out in the paragraph headed “Shareholding structure of the Company” in this announcement.

Despatch of share certificates and commencements of dealings in the Offer Shares

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Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 31 December 2015.

SHAREHOLDING STRUCTURE OF THE COMPANY

The Whitewash Waiver was granted by the Executive, and the Open Offer and the Whitewash Waiver were approved by the Independent Shareholders at the adjourned EGM on 26 November 2015. As such, no general offer under the Takeovers Code is required to be made.

To the best of the Director's knowledge and information, the shareholding structure of the Company immediately before and after completion of the Open Offer is as follows:

Shareholders	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Underwriter, Mr. Lie and parties acting in concert with any of them (<i>Note 1</i>)	1,623,440,000	25.55	3,861,047,357	40.52
Directors/ Ex-Director				
Xu Gang (<i>Note 2</i>)	996,000	0.02	1,494,000	0.02
Huang Zhixiong (<i>Note 3</i>)	11,356,000	0.18	17,034,000	0.18
Ye Weiping (<i>Note 4</i>)	518,000,000	8.15	518,000,000	5.44
Public Shareholders	4,198,770,897	66.10	5,131,268,988	53.84
Total	<u>6,352,562,897</u>	<u>100.00</u>	<u>9,528,844,345</u>	<u>100.00</u>

Notes:

- 420,000,000 Shares are held by the Underwriter, 23,624,000 Shares are held by Golden Ocean and 1,179,816,000 Shares are held by Mr. Lie. Both the Underwriter and Golden Ocean are wholly-owned by Mr. Lie. Thus, Mr. Lie is deemed to be interested in the Shares held by the Underwriter and Golden Ocean.
- Mr. Xu Gang is an executive Director. The 996,000 Shares include 48,000 Shares owned by the spouse of Mr. Xu Gang.

- 3 Mr. Huang Zhixiong is an independent non-executive Director. The 11,356,000 Shares are owned by the spouse of Mr. Huang Zhixiong.
- 4 Ms. Ye Weiping was an ex-executive Director.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS AND THE CONVERTIBLE NOTES

As at the date hereof, the Company has (i) 106,000,000 outstanding Share Options; and (ii) outstanding Convertible Notes in an aggregate principal amount of HK\$160,000,000 and convertible into 128,000,000 new Shares at the conversion price of HK\$1.25 per conversion share of the Company.

As a result of the Open Offer, adjustments (“**Adjustments**”) will be made to (i) the exercise prices of the outstanding Share Options and the number of Shares to be allotted and issued upon exercise of the outstanding Share Options in accordance with the terms of the share option schemes of the Company and the GEM Listing Rules; and (ii) the conversion price of the outstanding Convertible Notes, details of which are as follows:

(1) Share Options

Date of grant	Exercisable period	Before completion of the Open Offer		After completion of the Open Offer	
		Exercise price HK\$	No. of Shares to be allotted and issued upon exercise of the Outstanding Share Options	Exercise price HK\$	No. of Shares to be allotted and issued upon exercise of the Outstanding Share Options
8 April 2011	8 April 2011 to 7 April 2021	0.535	6,000,000	0.469	6,840,000
3 April 2013	3 April 2013 to 2 April 2018	0.314	100,000,000	0.275	114,000,000

(2) The Convertible Notes

As a result of Open Offer, the conversion price of the Convertible Notes will be adjusted from HK\$1.25 to HK\$1.10 and the number of Shares to be allotted and issued upon exercise of all the conversion rights attaching to the outstanding Convertible Notes will be adjusted from 128,000,000 new Shares to 145,454,545 new Shares.

Save as disclosed above, the terms of the Share Options and the Convertible Notes remain unchanged. The auditor of the Company, HLB Hodgson Impey Cheng Limited, has reviewed and confirmed in writing the accuracy of the calculations of the Adjustments.

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

Hong Kong, 29 December 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 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in 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.