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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)

PROPOSED CHANGE OF AUDITOR

The board of directors (the “**Board**”) of Neo Telemedia Limited (the “**Company**”) announces that Hopkins CPA Limited (“**Hopkins**”) resigned as auditor of the Company and its subsidiaries (the “**Group**”) with effect from 20 July 2010, as Hopkins and the Board could not reach an agreement on the audit fees for the financial year ended 30 June 2010. The Board proposes to appoint Zhonglei (HK) C.P.A. Company Limited (“**Zhonglei**”) to fill the vacancy following the resignation of Hopkins.

Hopkins has confirmed that there are no circumstances in respect of its resignation that they consider should be brought to the attention of the shareholders and creditors of the Group. The Board also confirmed that there are no circumstances connected with the change of auditor that they consider should be brought to the attention of the shareholders or creditors of the Group.

Hopkins has not yet commenced any audit work on the accounts of the Group for the year ended 30 June 2010. It is expected that the change of auditor of the Company will not affect the audit and the release of the annual results of the Company for the year ended 30 June 2010.

The Board has resolved to propose to appoint Zhonglei as auditor of the Group to fill the vacancy and hold office until the conclusion of the next annual general meeting of the Company. The appointment of Zhonglei as auditor of the Company is subject to the approval by the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (the “**EGM**”).

A circular containing, among other things, details of the proposed change of auditor of the Company together with a notice of the EGM will be despatched to the Shareholders as soon as possible.

By order of the Board
Neo Telemedia Limited
Li Hongrong
Executive Director

Hong Kong, 22 July 2010

As at the date hereof, the Board is comprised of:

Mr. Li Hongrong (*Executive Director*)

Mr. Zhou Zhibin (*Executive Director*)

Mr. Theo Ede (*Executive Director*)

Mr. Ou Bai (*Executive Director*)

Mr. Lam Kin Kau (*Independent Non-Executive Director*)

Ms. Chen Xiao Rong (*Independent Non-Executive Director*)

Mr. Hu Yangjun (*Independent Non-Executive Director*)

Professor Song Junde (*Independent Non-Executive Director*)

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 in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website <http://www.hkgem.com> for at least seven days from the date of its posting.