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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 AUDITORS
AND
AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The board of directors (the “Board”) of Neo Telemedia Limited (the “Company”) hereby announces that at the meeting of the Board held on 11 November 2013, the Board considered and approved the resolutions on (i) proposed change of auditors and (ii) proposed amendments to certain provisions of the memorandum and articles of association of the Company (the “M & A”), and it was agreed that such resolutions be submitted to the shareholders of the Company (the “Shareholders”) for their consideration and approval at an extraordinary general meeting of the Company.

The Company proposes to seek the approval of the Shareholders at an extraordinary general meeting for the following matters:

- (i) appoint HLB Hodgson Impey Cheng Limited as the new auditors of the Company to fill the casual vacancy following the resignation of Zhonglei (HK) CPA Limited (“Zhonglei”); and
- (ii) amend the M & A.

The proposed change of auditors was a commercial decision of the Company. The reason for the change of auditors is due to the fact that the Company and Zhonglei could not reach a consensus on the additional audit fee and Zhonglei’s available internal resources in light of current work flows.

The proposed amendments to the M & A are to bring the M & A in line with the revised requirements of the Cayman Islands Companies Law and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited since 2002.

The proposed change of auditors and amendments to the M & A are subject to the approval by shareholders of the Company by way of an ordinary resolution and a special resolution respectively at an extraordinary general meeting.

The board of directors (the “Board”) of Neo Telemedia Limited (the “Company”) announces that Zhonglei (HK) CPA Limited (“Zhonglei”) has resigned as auditors of the Company with effect from 11 November 2013 due to the fact that the Company and Zhonglei could not reach a consensus on the additional audit fee and Zhonglei’s available internal resources in light of current work flows.

In the resignation letter of Zhonglei, the Board’s attention was drawn to the qualified opinion issued during the audit of the Company’s consolidated financial statements for the year ended 30 June 2012, details of which are set out in the independent auditor’s report dated 27 September 2012 as incorporated in the Company’s annual report for the financial year ended 30 June 2012.

Zhonglei has confirmed in its resignation letter that there were no matters in addition to those noted above that need to be brought to the attention of holders of the securities of the Company. Both the Board and the Audit Committee of the Company have confirmed that there was no disagreement between the Company and Zhonglei and there were no circumstances in respect of the resignation of Zhonglei which need to be brought to the attention of holders of the securities of the Company.

The Board proposes to appoint HLB Hodgson Impey Cheng Limited as the new auditors of the Company to fill the casual vacancy following the resignation of Zhonglei and to hold office until the conclusion of the next annual general meeting of the Company (the “Change of Auditor”). Pursuant to the articles of association of the Company, such appointment has to be approved by the shareholders of the Company (the “Shareholders”) by way of an ordinary resolution at an extraordinary general meeting of the Company (the “EGM”). The Change of Auditor shall come into effect upon the passing of such ordinary resolution by the Shareholders at the EGM.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company proposed to seek the approval from the shareholders at an extraordinary general meeting to amend the Company’s memorandum and articles of association (the “M & A”).

The proposed amendments to the M & A are to bring the M & A in line with the revised requirements of the Cayman Islands Companies Law and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) since 2002.

The proposed amendments to the M & A shall come into effect upon the passing a special resolution at an extraordinary general meeting to approve the amendments.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the proposed amendments comply with the requirements of the GEM Listing Rules and do not contravene the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a company listed on the Hong Kong Stock Exchange.

The M & A are available only in English and the Chinese translation of the amendments to the M & A provided in the notice of EGM in Chinese is for reference only. In case of inconsistency, the English version shall prevail.

The major proposed amendments to the current M & A are summarised as follows:

- 1) Amend the M & A to comply with recent amendments to the Cayman Islands Companies Law and the GEM Listing Rules;
- 2) To give the Company the power to deregister in the Cayman Islands and be registered in other jurisdiction;
- 3) To give the Company the power to purchase its shares out of capital;
- 4) To give the Company the power to change the currency denomination of the Company's share capital;
- 5) To allow the directors to participate in general meetings by means of a conference telephone or other electronic communication equipment;
- 6) To allow the chairman of a general meeting to put procedural and administrative matters to be voted on by a show of hands;
- 7) To give the Company an additional method to remove a director of the Company;
- 8) To require a physical board meeting in lieu of a written resolution where a director or substantial shareholder has a conflict of interest in a matter to be considered by the Board of Directors which the Board of Directors has determined to be material;
- 9) To give the Company the power to retain dividends in respect of a share upon which the Company has a lien;
- 10) To give the Company the power to declare and pay special dividend;
- 11) To give the Board of Directors the power to fill any vacancy created by the resignation, disability or death of the auditor;
- 12) To give the Company the power to change the location of its registered office;
- 13) To give the Company the power to register by way of continuation in any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands; and
- 14) To give the Company the power to merge or consolidate with other companies.

GENERAL INFORMATION

A circular containing further details of the Change of Auditor and the proposed amendments to the M & A will be dispatched to the shareholders as soon as possible.

By order of the Board
ZHANG Xinyu
Executive Director

Hong Kong, 11 November 2013

As at the date hereof, the Board comprises five executive directors namely Mr. Theo EDE, Mr. HU Yangjun, Mr. ZHANG Xinyu (Chief Executive Officer), Mr. CHEUNG Sing Tai and Mr. LIAN Xin; and three independent non-executive directors, namely Dr. Jih Chyi LEU (Chairman), Mr. LAM Kin Kau, Mark and Professor SONG Junde.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) 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 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.