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ASX/Media Release
(ASX: KNM)

National rollout of KNeoJUNIOR in China

- **National distribution of KNeoJUNIOR commences in China after successful trial in Guangdong**
- **Distribution through agreement with SmartTrans and their Direct Carrier Biller China Mobile**
- **Roll-out now occurring in Guangdong and Sichuan Provinces**
- **Other edutainment products being considered for rollout in China**
- **Progress in Australia and United States encouraging**

Online education publisher **KNeoMedia Limited** ("**KNeoMedia**" or the "**Company**") (ASX: **KNM**) is pleased to provide shareholders with an update on the rollout of its KNeoJUNIOR edutainment (education & entertainment) product in China through its partnership with ASX-listed SmartTrans Holdings Limited (ASX: **SMA**) ("**SmartTrans**").

In July of this year the Company announced the first Mandarin language consumer trial of KNeoJUNIOR in Guangdong Province which resulted in 14,000 individual consumer downloads occurring.

After assessing pricing options and consumer feedback since July, KNeoMedia is pleased to report that SmartTrans has now commenced national distribution of the Mandarin version of KNeoJUNIOR in China via the Direct Carrier Billing platform of China Mobile, one of the country's largest telecommunications providers.

The product has initially been rolled out to China Mobile subscribers in Guangdong Provinces with a total of 5 Provinces under consideration. Accordingly, the Company is expecting to achieve high download rates as distribution progressively expands into targeted major Provinces in China.

This is a very pleasing milestone for KNeoMedia as it validates the consumer appeal of product as well as SmartTrans' and China Mobile's commitment to KNeoJUNIOR's rollout.

KNeoMedia's Chief Executive Officer, James Kellett commented: "This is a very pleasing development for KNeoMedia and we believe it is the first of a number of edutainment products we plan to rollout to consumers in China. Through SmartTrans' partnership with China Mobile and the huge potential audience this gives us, I am confident that this product will become a key revenue driver for the Company in China."

"I look forward to updating shareholders on the progress of the KNeoJUNIOR rollout, along with our activities in Australia and the United States which are progressing to plan."

– ENDS

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About KNeoMedia Limited:

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment).

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games portal, Apps Stores and via distribution agreements and education departments.

Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.

KNeoWORLD is a fun education games portal where young students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. KNeoWORLD Apps comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.

For further information please contact:

James Kellett

Chief Executive Officer

T: (03) 9286 7500 M: 0439 805 070

E: james.kellett@entellect.com.au

Sophie Karzis

Company Secretary

T: (03) 9286 7500

E: sk@ccounsel.com.au

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



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