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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, it is expected to record a loss for the six months ended 31 December 2011 as compared to the profit recorded in the same period in 2010.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company's audit committee.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Neo Telemedia Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

Based on preliminary review by the board of directors of the Company (the “**Board**”) of the unaudited consolidated management accounts of the Group, the Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 31 December 2011 as compared to the profit recorded in the same period in 2010. Based on the relevant information currently available to the Company, the Board considers that such loss was mainly attributable to (1) the amortization of intangible assets arising from the acquisitions of Ease Ray Limited and its subsidiaries and Smart Long Limited and its subsidiaries (“**Smart Long Group**”); and (2) the supply shortage of High Temperature Superconducting (HTS) filters, which adversely affected the turnover of Smart Long Group.

As the Company is still in the course of preparing its interim results for the six months ended 31 December 2011, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company's audit committee. The overall financial results of the Group for the six months ended 31 December 2011 will only be ascertained when all the relevant results and corresponding treatments are finalised. The interim results of the Group for the six months ended 31 December 2011 are scheduled to be approved and announced by the Board on 14 February 2012. Shareholders of the Company and potential investors are advised to read the interim results announcement of the Company when it is published.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Neo Telemedia Limited
LI Hongrong
Chairman

Hong Kong, 8 February 2012

As at the date hereof, the Board is comprised of five executive directors, namely LI Hongrong, Theo EDE, OU Bai, ZHANG Fan (Chief Executive Officer) and HU Yangjun; and three independent non-executive directors, namely LAM Kin Kau, Mark, Professor SONG Junde and Professor CHEN Lujun.

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 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.