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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 and potential investors of the Company that, based on the information currently available, it is expected that the Group's loss for the year ended 30 June 2012 will increase substantially as compared to that for 2011.

Shareholders and potential investors of the Company are advised to exercise caution when 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**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, it is expected that the Group's loss for the year ended 30 June 2012 will increase substantially as compared to that for 2011. Such increase was primarily attributable to the impairment loss on goodwill arisen from the acquisitions completed during the last three financial years.

As the auditor of the Company is still in the process of auditing the Group's financial statements for the year ended 30 June 2012, the information contained in this announcement is solely based on the preliminary assessment by the Board with reference to the information currently available. Such information has not been audited or reviewed by the auditor of the Company. The actual results of the Group for the year ended 30 June 2012 will only be ascertained when the audit is completed. The Shareholders and potential investors should read carefully the results announcement of the Company for year ended 30 June 2012, which is expected to be released before the end of September 2012.

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

By order of the Board
Neo Telemedia Limited
LI Hongrong
Chairman

Hong Kong, 14 September 2012

As at the date hereof, the Board is comprised of four executive Directors, namely LI Hongrong (Chairman), Theo EDE, HU Yangjun and ZHANG Xinyu (Chief Executive Officer); 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.