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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 and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

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 nine months ended 31 March 2013 as compared to the profit recorded in the corresponding period in 2012.

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**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

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 nine months ended 31 March 2013 as compared to the profit recorded in the corresponding period in 2012. Based on the relevant information currently available to the Company, the Board considers that such loss was mainly attributable to the decrease in advertising income as a result of (1) the temporary suspension of the operations in Xiamen and Nanchang due to road expansion and subway construction carried out by the municipal governments; and (2) fierce competition in the industry and the worsening economy in the PRC. The above factors have adversely affected the Group’s revenue as well as its operating results for the nine months ended 31 March 2013.

As the Company is still in the course of preparing its results for the nine months ended 31 March 2013, 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 nine months ended 31 March 2013 will only be ascertained when all the relevant results and corresponding treatments are finalised. The results of the Group for the nine months ended 31 March 2013 are scheduled to be approved and announced by the Board before 15 May 2013. Shareholders of the Company and potential investors are advised to read the quarterly 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, 23 April 2013

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.