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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 and potential investors of the Company that based on the information currently available, it is expected to record a significant loss for the eighteen months ended 31 December 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, the audit of which is currently being conducted by the auditor of the Company.

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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available, the Group expects to incur a significant loss for the eighteen months ended 31 December 2013. The significant loss is mainly attributable to the impairment loss of intangible assets and goodwill arose from the acquisition of Ease Ray Limited (“**Ease Ray**”), a subsidiary of the Company engaging in design and production of traffic signboards and provision of electronic media services. Due to the latest development of the operations of Ease Ray and its subsidiaries (collectively, “**Ease Ray Group**”), the assumptions adopted for the valuation of Ease Ray Group have been revised. A significant impairment loss is expected based on the preliminary valuation results.

As the valuer of the Company is still in the process of finalizing the valuation of Ease Ray Group and the auditor of the Company is still in the process of auditing the Group’s financial statements for the eighteen months ended 31 December 2013, the information contained in this announcement is solely based on the preliminary assessment by the Board with reference to the information currently available. The audit of such information is currently being conducted by the auditor of the Company. The actual results of the Group for the eighteen months ended 31 December 2013 will only be ascertained when the audit is completed. The Shareholders and potential investors of the Company should read carefully the results announcement of the Company for eighteen months ended 31 December 2013, which will be released on 31 March 2014.

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
CHEUNG Sing Tai
Chairman

Hong Kong, 24 March 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHEUNG Sing Tai (Chairman and Chief Executive Officer), Mr. ZHANG Xinyu and Mr. LIAN Xin, and three independent non-executive Directors, namely Mr. LEUNG Ka Wo, Ms. LU Zhuo and Mr. CHOU Jianzhong.

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.