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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 pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of Neo Telemedia Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) hereby informs the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a loss attributable to the owners of the Company for the nine months ended 30 September 2018 (the “**Period**”) as compared to a profit attributable to the owners of the Company for the nine months ended 30 September 2017, primarily due to the impairment loss of approximately HK\$40.2 million on accounts receivable in relation to the Internet finance platform business as the recoverability of such receivables became uncertain.

In view of the recent fluctuation of the Internet lending environment in mainland China which resulted in investors’ lack of confidence and borrowers’ failure to repay debts, operations of the Group’s Internet finance platform (the “**Platform**”) have been negatively affected. In order to ensure that interests of the Group and the investors of the Platform are not compromised, in July 2018, the Group engaged lawyers to provide services to the Group in relation to the operations of the Platform, particularly conducting due diligence review of the operations, identifying defaulted loans and receivables (including the aforesaid impaired accounts receivable) and taking necessary actions to recover the same, and assisting the Group to: 1) comply with the laws and regulations that are applicable to the Internet finance platform business, and 2) carry out rectification work on the operations of the Platform in accordance with the rectification notice that the local financial regulatory department issued to the Group in January 2018 and complete the relevant filings.

The Company will update its shareholders on any material development of the recovery of the aforesaid impaired accounts receivable as and when appropriate.

As the Company is still in the course of preparing its results for the Period, 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 for the Period, which have not been reviewed by the Company's auditors or the Company's audit committee. The overall financial results of the Group for the Period will only be ascertained when all the relevant results and corresponding treatments are finalised. The results of the Group for the Period are scheduled to be approved and announced by the Board on 12 November 2018.

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

By order of the Board
Neo Telemedia Limited
CHEUNG Sing Tai
Deputy Chairman

Hong Kong, 2 November 2018

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. CHEUNG Sing Tai (Deputy Chairman and Chief Executive Officer), Mr. XU Gang, Mr. TAO Wei and Mr. ZHANG Bo, one non-executive Director, namely Dr. LIE Haiquan (Chairman), and three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM 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.