



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

**POSITIVE PROFIT ALERT ANNOUNCEMENT FOR THE RESULTS OF
1 JANUARY TO 31 MARCH 2010**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited by Neo Telemedia Limited (the “Company”) for the purpose of providing shareholders of the Company and the public with the financial information of the Company. The financial information contained in this announcement is a preliminary estimate of the Company and is not audited by the Company’s certified public accountants. The specific financial information will be disclosed in the Third Quarterly Report for 2009 to 2010 in details.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

I. ESTIMATED RESULTS FOR THE REPORTING PERIOD

1. Period to which the estimated results applies: from 1 January 2010 to 31 March 2010.
2. Estimated results: As compared to the three months ended 31 December 2009, the third quarter of 2009/2010 has turned into profits again and recorded contribution in earnings, representing a substantial improvement over the corresponding period of 2009.

After the Company’s preliminary estimate of financial information, it is estimated that the third quarter of 2009/2010 will turn loss into profit, showing a relatively large growth as compared with the three months ended 31 December 2009, and it is also expected that the net profits of the current period will increase over the corresponding period last year. The specific financial information will be disclosed in the Third Quarterly Report for 2009/2010 of the Company in details.

3. The estimated results have not been audited nor reviewed by certified public accountants.

**II. RESULTS FOR THE THREE MONTHS ENDED 31 DECEMBER 2009 AND THE
CORRESPONDING PERIOD LAST YEAR (1 JANUARY 2009 TO 31 DECEMBER
2009)**

1. Net loss for the three months ended 31 December 2009: HK\$5,400,000
2. Net loss for the three months ended 31 March 2009: HK\$5,777,000

III. REASONS FOR THE ESTIMATED IMPROVEMENT IN RESULTS

In 2010, the Company sees promising momentums for the developments of different businesses in the telecommunication industry, so we have kick-started the information value-added business in the Eastern China region of Yixun, Hangzhou with a stably improving quarterly revenues and income. Besides, the successful beginning of Baidu's map search business and telecommunication SP value-added business, as well as the extremely concentrated and cautious utilization of capital by the Company have enhanced business cost control and the management in operating cost, resulting in a lower operating expenditure and gaining profits.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Neo Telemedia Limited
Li Hongrong
Executive Director

Hong Kong, 8 April 2010

As at the date hereof, the Board is comprised of:

Mr. Li Hongrong (*Executive Director*)

Mr. Tong Hing Chi (*Executive Director*)

Mr. Zhuo Wu (*Executive Director*)

Mr. Zhou Zhibin (*Executive Director*)

Mr. Lam Kin Kau (*Independent Non-Executive Director*)

Mr. Law Kwok Leung (*Independent Non-Executive Director*)

Mr. Fung Wing Keung (*Independent Non-Executive Director*)

Ms. Chen Xiao Rong (*Independent Non-Executive Director*)