潤迅通信國際有限公司*
China Motion Telecom International Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 989)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

RESULTS

The Board of Directors (the "Board") of China Motion Telecom International Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2007 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2007

		Six months ended 30 September	
		2007	2006
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover		**324,336**	298,427
Cost of sales and services		**(251,327)**	(243,430)
Gross profit		**73,009**	54,997
Other revenue		**5,436**	5,453
Other net income		**6,474**	19,883
Distribution costs		**(2,176)**	(1,738)
Administrative expenses		**(65,953)**	(68,366)
Finance costs	*4*	**(2,081)**	(2,752)
Share of profits of associates		**-**	33
Profit before taxation	*5*	**14,709**	7,510
Taxation	*6*	**(97)**	-
Profit for the period		**14,612**	7,510

	Note		
Attributable to:			
Equity holders of the Company		**14,624**	7,646
Minority interests		**(12)**	(136)
		14,612	7,510
Dividend	*7*	**-**	-
Earnings per share	*8*		
Basic		**0.62 HK cents**	1.44 HK cents
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2007

	Note	**30 September 2007 (Unaudited)**	31 March 2007 (Audited)
	Note	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**180,860**	187,730
Property, plant and equipment		**28,876**	26,930
Interests in associates		**-**	-
Premium for land lease		**66,282**	65,106
Other non-current assets		**3,739**	3,739
Intangible assets		**2,690**	3,480
		282,447	286,985
Current assets			
Inventories		**4,927**	6,599
Trade and other receivables	*9*	**104,298**	83,905
Pledged bank deposits		**748**	1,408
Bank balances and cash		**28,253**	21,707
		138,226	113,619
Current liabilities			
Trade and other payables	*10*	**150,077**	154,328
Borrowings due within one year		**39,992**	44,140
Obligations under finance leases		**679**	639
Taxation		**4,556**	5,232
		195,304	204,339
Net current liabilities		**(57,078)**	(90,720)
Total assets less current liabilities		**225,369**	196,265
Non-current liabilities			
Borrowings due after one year		**38,281**	23,325
Obligations under finance leases		**657**	763
		38,938	24,088
NET ASSETS		**186,431**	172,177

CAPITAL AND RESERVES		
Issued capital	**23,505**	23,505
Reserves	**156,096**	141,897
Total capital and reserves attributable to equity holders of the Company	**179,601**	165,402
Minority interests	**6,830**	6,775
TOTAL EQUITY	**186,431**	172,177

Notes :

1. **BASIS OF PREPARATION**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

As at 30 September 2007, the Group had net current liabilities of HK$57,078,000 *(31 March 2007: HK$90,720,000)*, as well as commitments that are payable in the next twelve months. Taking into account the existing and available banking facilities, cash and bank balances of the Group, the historical payment patterns for the Group's liabilities and continuing profitable operations, the directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. **PRINCIPAL ACCOUNTING POLICIES**

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value, as appropriate.

The accounting policies used in these unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the year ended 31 March 2007 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for accounting periods beginning on or after 1 April 2007. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment had been required.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial positions of the Group.

HKAS 23(Revised)	Borrowing costs *(Note)*
HKFRS 8	Operating segments *(Note)*

Note: Effective for annual periods beginning on or after 1 January 2009.

3. **SEGMENT INFORMATION**

The Group is principally engaged in the provision of international telecommunications services, mobile communications services and distribution and retail sales of telecommunications products and services.

An analysis of the Group's turnover and results for the period by business segments and geographical segments is as follows:

(a) ***Primary reporting format - business segments***

Six months ended 30 September 2007	**International telecommuni-cations services**	**Mobile communi-cations services**	**Distribution and retail chain**	**Others**	**Inter-segment elimination**	**Group**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
Revenue from external customers	**212,555**	**55,208**	**56,573**	**-**	**-**	**324,336**
Inter-segment revenue	**9,893**	**-**	**1,285**	**-**	**(11,178)**	**-**
Segment turnover	**222,448**	**55,208**	**57,858**	**-**	**(11,178)**	**324,336**
Segment results	**10,709**	**9,363**	**(5,643)**	**2,361**	**-**	**16,790**
Finance costs						**(2,081)**
Share of profits of an associate						**-**
Profit before taxation						**14,709**
Taxation						**(97)**
Profit for the period						**14,612**

3. **SEGMENT INFORMATION (continued)**

(a) ***Primary reporting format - business segments (continued)***

Six months ended 30 September 2006	International telecommuni-cations services (Unaudited) *HK$'000*	Mobile communi-cations services (Unaudited) *HK$'000*	Distribution and retail chain (Unaudited) *HK$'000*	Others (Unaudited) *HK$'000*	Inter-segment elimination (Unaudited) *HK$'000*	Group (Unaudited) *HK$'000*
Turnover						
Revenue from external customers	194,080	57,650	46,697	-	-	298,427
Inter-segment revenue	11,494	-	1,589	-	(13,083)	-
Segment turnover	205,574	57,650	48,286	-	(13,083)	298,427
Segment results	15,472	4,896	(4,982)	(5,157)	-	10,229
Finance costs						(2,752)
Share of profits of an associate						33
Profit before taxation						7,510
Taxation						-
Profit for the period						7,510

(b) ***Secondary reporting format - geographical segments***

	Turnover		**Segment results**	
	2007 (Unaudited) *HK$'000*	2006 (Unaudited) *HK$'000*	**2007 (Unaudited) *HK$'000***	2006 (Unaudited) *HK$'000*
The People's Republic of China ("PRC")	**2,033**	2,896	**(900)**	(1,370)
Hong Kong	**173,071**	161,165	**8,313**	7,300
Other Asia Pacific regions	**32,652**	42,753	**1,719**	7,413
North America and the United Kingdom	**116,580**	91,613	**7,855**	(3,114)
	324,336	298,427	**16,987**	10,229

4. FINANCE COSTS

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings:		
Wholly repayable within five years	**1,021**	2,075
Not wholly repayable within five years	**1,005**	623
Finance charges on obligations under finance leases	**55**	54
	2,081	2,752

5. PROFIT BEFORE TAXATION

This is stated after charging (crediting):

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Crediting:		
Write back of provision for trade receivables	**(434)**	(19,883)
Charging:		
Staff costs (include directors' emoluments)	**37,894**	36,150
Cost of inventories	**25,166**	15,702
Depreciation	**6,402**	9,888
Amortisation		
Premium for land lease	**833**	1,057
Intangible asset	**790**	-
Operating lease charges: minimum lease payments		
Telecommunications equipment	**22,210**	20,933
Premises	**6,973**	5,209
Provision for doubtful trade and other receivables	**721**	-
Provision for inventories write-down	**167**	-
Rentals income from investment properties less direct outgoings of HK$2,000 *(30 September 2006: HK$735,000)*	**3,558**	245
Loss on disposal of property, plant and equipment	**215**	6

6. **TAXATION**

Hong Kong Profits Tax has been provided at the rate of 17.5% *(2006: 17.5%)* on the estimated assessable profit arising from Hong Kong during the period. The income tax provision in respect of operations in the PRC and overseas is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax	**97**	-

7. **DIVIDEND**

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2007 *(2006: Nil)*.

8. **EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK$14,624,000 *(2006: HK$7,646,000)* and the weighted average number of 2,350,475,573 *(2006: 532,579,398)* ordinary shares in issue during the six months ended 30 September 2007.

Diluted earnings per share for the six months ended 30 September 2007 and 2006 have not been presented as the conversion of potential ordinary shares to ordinary shares would have anti-dilutive effect to the basic earnings per share.

9. **TRADE AND OTHER RECEIVABLES**

	30 September	31 March
	2007	2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables	**70,113**	51,362
Other receivables		
Deposits, prepayments and other receivables	**34,124**	32,489
Due from associates	**61**	54
	34,185	32,543
	104,298	83,905

The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 60 days. The carrying amount of the amounts due approximates their fair values.

9. **TRADE AND OTHER RECEIVABLES (continued)**

The ageing analysis of the trade receivables (net of impairment losses for bad and doubtful debts) as at the balance sheet date is as follows:

	30 September 2007 (Unaudited) ***HK$'000***	31 March 2007 (Audited) *HK$'000*
0 – 30 days	**26,573**	24,386
31 – 60 days	**8,793**	7,354
61 – 90 days	**5,647**	4,255
Over 90 days	**29,100**	15,367
	70,113	51,362

10. **TRADE AND OTHER PAYABLES**

	30 September 2007 (Unaudited) ***HK$'000***	31 March 2007 (Audited) *HK$'000*
Trade payables	**110,500**	116,495
Other payables		
Accrued charges and other creditors	**26,727**	25,311
Advance subscription fees received	**6,533**	6,391
Deposits received	**6,197**	6,011
Due to associates	**120**	120
	39,577	37,833
	150,077	154,328

The ageing analysis of trade payables as at the balance sheet date is as follows:

	30 September 2007 (Unaudited) ***HK$'000***	31 March 2007 (Audited) *HK$'000*
0 – 30 days	**22,717**	25,833
31 – 60 days	**10,346**	8,573
61 – 90 days	**8,083**	2,778
Over 90 days	**69,354**	79,311
	110,500	116,495

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results and Operations

For the six months ended 30 September 2007, the Group achieved satisfactory results and recorded growth in overall performance. During the period, total turnover grew with 9% to HK$324 million, as compared to HK$298 million in the last corresponding period. Net profit amounted to HK$14.6 million, an increase of 95% from HK$7.5 million last period. Gross profit margin increased to 23%, against 18% in the same period last year. These achievements were owed to the successful strategic transformation of the Group in 2006, which turned around the Group's business since last financial year ended 31 March 2007. The continued strong performance of the Group for the period under review is proof that it is advancing in the right direction underscored by efforts to better serve customer needs**,** explore new services and market segments**.**

International Telecommunications Services

For the six months ended 30 September 2007, the total turnover of the segment, comprising wholesale and retail IDD businesses, increased by 9% to HK$213 million, against HK$194 million in the last corresponding period. Such increase was due to the effective measures implemented in areas including cost control, network quality upgrade and resources re-allocation. Gross profit margin increased from 11% to 16%, the result of effective credit control reducing direct and indirect costs, and the capitalisation of the full capacity of high-margin terminations. There was a growth in operating profit amounted to HK$11 million, as compared with the operating loss of HK$5 million in the last corresponding period.

During the period, the Group also developed more efficient direct routings and re-allocated resources to areas with higher margin, including Europe, India, Africa, the Middle East and Korea, besides sustaining its business in the existing network.

However, the IDD business continues to face steep competition and challenges especially in market development. To support the business, the Group has been exploring potential business opportunities, as well as seeking to forge strategic partnerships that can help to strengthen the business operational efficiency and competitiveness. It will also continue to implement cost control measures and boost its network's capabilities.

Mobile Communications Services

Total turnover from the segment decreased slightly by 4% to HK$55 million for the period under review. However, the Group was able to achieve a higher gross profit margin of 40% at successful reduction of operating cost and with an operating profit of HK$9 million obtained.

The Group mainly runs its mobile communications services business as a Mobile Virtual Network Operator ("MVNO") under the "CM Mobile" brand. During the period under review, the increase in number of subscribers of the service was the result of the Group's effort in promoting its sales channels and attracting high-end individual users with high demand for quality cross-border services between Hong Kong and Mainland China. To keep enhance competitiveness of the segment, the Group has been launching new value-added services for corporate customers and improving variety and quality of existing ones to meet their diverse and more sophisticated needs. Furthermore, it will enrich its product portfolio by putting greater emphasis on roaming services of post-paid cards, and also step up credit control and risk management.

Distribution and Retail Chain

During the period under review, total turnover from the segment increased 21% to HK$57 million. It was mainly attributable to the various measures taken by the Group to maximise cost-efficiency and to boost sales. Such measures include the strengthening of dealership network, establishing new corporate image to appeal middle-income customers by renovation of retail shops, promoting variety of products and services, improving service and staff qualities, enhancing staff knowledge on products and the restructuring of supporting team for new product development. The Group suffered an operating loss of HK$6 million, however, after taking into account the administrative expenses incurred from renovating and setting up of retail outlets.

The Group markets its telecommunications products and services (handset sales, subscription services, prepaid calling cards, other value-added services and handsets for dual SIMs by consignment) through its one-stop-shop sales platform under the "CM Concept" brand. These outlets also serve as specialty shops for selling cross-border communications services in Mainland China and Hong Kong, and the Group runs 22 shops at present.

The Group had maintained a substantial market share in Hong Kong for China IDD calling cards through a network of approximate 1,000 distributors. To strengthen the competitiveness and dominant position in the market, the Group launched several new brands of calling cards and handsets during the review period.

Prospects

With regard to the recent termination of the agreement relating to acquisition of a Vietnam property, the Group believes that it will not have any material adverse impact on its business and operation, or financial and trading position. Despite such termination, the Group nevertheless remains confident with the attractive investment opportunities available in Vietnam for foreign investors, and will continue to look for suitable business opportunities in this region.

The Group will also keep implementing measures on effective cost control and diversify telecommunications related businesses. It will allocate resources on developing its core businesses and, at the same time, actively explore potential investment opportunities. Its aim is to provide comprehensive telecommunications services, with focus on high-margin services through its well-established network. Looking ahead, the Group will strive to ensure strong business growth and broaden its revenue base, with the ultimate goal of enhancing shareholders' value.

Financial Position

As at 30 September 2007, the Group's bank balances and cash amounted to approximately HK$28,253,000. Total borrowings and obligations under finance leases amounted to approximately HK$79,609,000. The Group's bank loans are repayable monthly and the last monthly installment will be in May 2013. The gearing ratio of total borrowings as a percentage of the total capital and reserves attributable to equity holders of the Company was 44% *(31 March 2007: 42%)*.

As at 30 September 2007, the Group had aggregate banking facilities of approximately HK$97,748,000 (excluding property mortgage loans), of which HK$62,000,000 were unutilised.

In order to focus resources on the core businesses, the Group had disposed certain properties with total profit of HK$2,726,000 and cash inflow of HK$5,160,000 during the period.

It is anticipated that the Group's bank balance and cash, as at 30 September 2007, together with the unutilised banking facilities and cash inflow from disposal of properties and stable rental income will be sufficient to discharge its debts and to fund its operations. However, the Group will continue to implement stringent cost control measures and explore fund-raising opportunities in order to further enhance and strengthen its liquidity position and financial resources for operational requirements.

Contingent Liabilities

As at 30 September 2007, the Group had contingent liabilities amounting to approximately HK$26,980,000 *(31 March 2007: HK$26,980,000)* in respect of guarantees given to third parties against non-performance of contractual obligations by subsidiaries.

Charge on Assets

As at 30 September 2007, the Group's leasehold building, premium for land lease and investment properties with aggregate carrying value of approximately HK$255,088,000 *(31 March 2007: HK$174,620,000)* were pledged as security for banking facilities.

Exposures to Fluctuations in Exchange Rates

The Group is exposed to the fluctuations in Renminbi and United States dollars as certain expenses payable by and trade receivables from customers are settled in these currencies. However, the management will continuously monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policies

As at 30 September 2007, the Group had 335 full-time staff. Total staff costs (including directors' emoluments) incurred for the period amounted to approximately HK$37,894,000 *(2006: HK$36,150,000)*. The Group's remuneration policy is in line with prevailing market practice on performance of individual staff.

In addition to salaries, the Group also offers a benefits package to its staff, including training allowance and provident fund.

Other Disclosure

The directors of the Company are not aware of any material changes from the information disclosed in the annual report of the Company for the year ended 31 March 2007, other than those disclosed in this announcement.

TERMINATION OF SHARE PURCHASE AGREEMENT

The Company announced on 6 December 2007 that the Company and Asia Castle Development Limited (the "Vendor") entered into a deed of termination on 4 December 2007 whereby the Company and the Vendor agreed to terminate the share purchase agreement dated 14 August 2007 (as supplemented by the supplemental agreement dated 19 September 2007) (the "Agreement") entered into between the parties with immediate effect so that it shall become null and void and cease to have any further effect. Pursuant to the Agreement, the Company had agreed to acquire and the Vendor had agreed to sell the entire issued share capital of Larkhall Holdings Limited, which is an investment holding company and its principal asset is the entire issued share capital of a Vietnam company, which in turn holds a property in Vietnam, for consideration of HK$2,589,600,000 to be satisfied by the issue of the convertible bond, by the allotment and issue shares of the Company and by the issue of the promissory note. Details of the said transaction were disclosed in the announcement dated 19 September 2007.

The directors confirm that they do not expect that the termination of the Agreement will have any material adverse impact on the business and operation, or financial and trading position of the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed with management and the auditors of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of the Group's interim results for the six months ended 30 September 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 September 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules during the period.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

On 20 July 2005, the Company has adopted its own Code for Securities Transactions by Directors (the "Code") on terms no less exacting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules. All directors have confirmed, following specific enquiries by the Company, that they have fully complied with the required standard as set out in the Code and the Model Code during the period.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Company *(www.chinamotion.com)* and the Stock Exchange *(www.hkex.com.hk)*. An interim report for the six months ended 30 September 2007 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By Order of the Board
Ting Pang Wan, Raymond
Chairman

Hong Kong, 18 December 2007

As at the date hereof, the executive Directors are Mr. Ting Pang Wan, Raymond, Mr. Wu Chi Chiu and Ms. Fan Wei and the independent non-executive Directors are Mr. Lo Chi Ho, William, Mr. Huang An Guo and Ms. Wong Fei Tat.

** for identification purpose only*