CHINA RAILSMEDIA CORPORATION LIMITED

中國鐵聯傳媒有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 745)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The board of directors (the "Board") of China Railsmedia Corporation Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2008, together with the appropriate comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

	Note	Six months ended 30 September 2008 HK$'000 (Unaudited)	2007 HK$'000 (Unaudited)
Turnover – contract revenue	4	**46,049**	13,345
Contract cost		**(44,872)**	(11,710)
Gross profit		**1,177**	1,635
Other revenue	4	**563**	1,052
Other income		**320**	329
Administrative expenses		**(30,435)**	(11,812)
Loss from operating activities	5	**(28,375)**	(8,796)
Finance costs		**(1,356)**	(1,075)
Loss before taxation		**(29,731)**	(9,871)
Taxation	6	**11**	439
Loss for the period		**(29,720)**	(9,432)
Attributable to:			
– Equity holders of the Company		**(29,709)**	(9,708)
– Minority interest		**(11)**	276
		(29,720)	(9,432)
Dividends	7	**–**	–
Loss per share attributable to equity holders of the Company	8		
– Basic and diluted		**(HK1.98 cents)**	(HK8.02 cents)

* *For identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2008

	Note	As at 30 September 2008 HK$'000 (Unaudited)	As at 31 March 2008 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**337**	376
Goodwill		**1,810**	1,810
Available-for-sale financial assets		**1,216**	2,155
Interest in a jointly-controlled entity		**–**	–
		3,363	4,341
Current assets			
Amount due from customers for contract work		**37,449**	39,448
Amount due from an associate		**2**	–
Accounts receivable	9	**131,837**	131,891
Prepayments, deposits and other receivables		**75,966**	42,922
Cash and cash equivalents		**38,187**	15,562
		283,441	229,823
Total assets		**286,804**	234,164
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**15,338**	14,408
Reserves		**111,245**	79,324
		126,583	93,732
Minority interests		**2,635**	2,646
Total equity		**129,218**	96,378

	Note	As at 30 September 2008 HK$'000 (Unaudited)	As at 31 March 2008 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Convertible notes		**1,293**	1,232
Deferred taxation		**43**	53
		1,336	1,285
Current liabilities			
Loan from shareholders		**49,686**	39,301
Accounts payable	10	**54,827**	54,599
Amount due to customers for contract work		**26,351**	22,162
Other payables and accruals		**25,108**	20,314
Bank overdrafts		**183**	–
Tax payable		**95**	125
		156,250	136,501
Total liabilities		**157,586**	137,786
Total equity and liabilities		**286,804**	234,164
Net current assets		**127,191**	93,322
Total assets less current liabilities		**130,554**	97,663

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2008

1. Basis of preparation

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

Included in the consolidated balance sheet as at 30 September 2008 is an account receivable of approximately HK$120,459,000 (As at 31 March 2008: HK$120,459,000) (the "Receivable Under Dispute"), recorded based on architect's certificates, currently withheld by a major customer of the Group with respect to disputes on claims arising from liquidated damages and alleged environmental related damages in relation to main contract work for a residential development project carried out in Kowloon Tong, Hong Kong, and the claim made by the Group on extension of time (the "EOT Claim") entitlement by the Group. The Receivable Under Dispute were certified by the architects of the residential development project.

The arbitration proceedings to recover the outstanding amount due and negotiations with the customer are still in progress. Despite that the full amount of the accounts receivable balance is being withheld by the major customer, a counter claim was made by the major customer against the Group in relation to claims arising from liquidated damages and alleged environmental related damages in relation to main contract works in a residential development project carried out in Hong Kong in the amount of approximately HK$122,480,000. In the opinion of the directors, based on legal advice, the major customer does not have sufficient grounds to their entitlement of the EOT Claim, and as a result, the resultant liquidated damages, if any, would not be significant to the Group's financial statements. The directors also considered that the Group has valid grounds to defend against the alleged environmental related damages claimed by the major customers and that the final amount being claimed, if any, would not have a material impact to the Group's financial position.

Based on the foregoing, the directors of the Group are currently unable to determine the reasonable certainty of the outcome of the arbitration. The directors are also unable to determine the time required to recover the Receivable Under Dispute and whether a provision, if any, is required against such receivable at this stage.

As a result of the withholding of settlement of accounts receivable by the customer, the working capital of the Group has been affected. In order to maintain the working capital of the Group, two major shareholders of the Company provided continual financial support to the Group in the form of shareholders' loan, of which approximately HK$49,686,000 of the loan had been made to the Group as at 30 September 2008 (As at 31 March 2008: HK$39,301,000).

In the opinion of the directors, in light of the continual financial support from the major shareholders, the Group would have sufficient financial resources to satisfy its working capital needs for the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

2. **Principal accounting policies**

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008, except for the adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") and the Hong Kong Accounting Standards ("HKASs") as disclosed below. The condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2008.

The Group has adopted, for the first time, the following new interpretations issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2008.

HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of the above new interpretations does not have significant impact on the Group's operating results or financial position for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised HKFRSs and HKASs, those have been issued but are not yet effective, in these interim financial statements:

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Cost[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquation[1]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate[1]
HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets[3]
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS5, effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 July 2009

[3] Effective for annual periods beginning on or after 1 July 2008

[4] Effective for annual periods beginning on or after 1 October 2008

The Group has not early adopted any new standards, amendments to standards or interpretations that have been issued but are not effective for the year ending 31 March 2009. The Group has already commenced an assessment of their impact but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

3. Segment information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Details of the business segments are as follows:

(a) the building construction segment engages in construction and foundation contract works as a main contractor or subcontractor for building construction in the private and public sectors;

(b) the renovation, repairs and maintenance segment engages in site formation, civil engineering works, repairs, maintenance, renovation and fitting out works in the private and public sectors; and

(c) the corporate and others segment comprises the Group's corporate income and expenses items.

Business Segments

The following table presents revenue and loss, assets and liabilities for the Group's business segments.

	Building construction Six months ended 30 September		Renovation, repairs and maintenance Six months ended 30 September		Corporate and others Six months ended 30 September		Consolidated Six months ended 30 September	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue:								
Contract revenue from external customers	**9,993**	3,064	**36,056**	10,281	**–**	–	**46,049**	13,345
Other revenue	**–**	20	**781**	21	**–**	–	**781**	41
Total	**9,993**	3,084	**36,837**	10,302	**–**	–	**46,830**	13,386
Segment results	**368**	20	**781**	1,655	**(29,626)**	(11,811)	**(28,477)**	(10,136)
Interest and unallocated gains							**102**	1,340
Loss from operating activities							**(28,375)**	(8,796)
Finance costs							**(1,356)**	(1,075)
Loss before taxation							**(29,731)**	(9,871)
Taxation							**11**	439
Loss for the period							**(29,720)**	(9,432)

	Building construction		Renovation, repairs and maintenance		Corporate and others		Consolidated	
	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)
Segment assets	152,195	157,390	33,032	31,845	62,172	27,213	247,399	216,448
Interest in a jointly-controlled entity	–	–	–	–	–	–	–	–
Unallocated assets							39,405	17,716
Total assets							286,804	234,164
Segment liabilities	56,091	60,523	32,184	23,630	1,302	2,739	89,577	86,892
Unallocated liabilities							68,009	50,894
Total liabilities							157,586	137,786
Other segment information:								
Depreciation	1	7	25	54	24	61	50	122
Capital expenditure	–	–	–	–	6	287	6	287
Impairment loss on accounts receivable	–	–	–	16	–	–	–	16

Geographical Segments

	Hong Kong		The People's Republic of China ("PRC")		Total	
	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)	30 September 2008 HK$'000 (Unaudited)	31 March 2008 HK$'000 (Audited)
Segment revenue	33,197	34,330	12,852	28,867	46,049	63,197
Total segment assets	273,144	216,167	13,660	17,997	286,804	234,164
Capital expenditure	6	164	–	123	6	287

4. Turnover and Revenue

Turnover represents the appropriate proportion of contract revenue of construction, renovation, repairs and maintenance contracts.

An analysis of turnover and other revenue is as follows:

	Six months ended 30 September	
	2008	2007
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Turnover:		
Contract revenue	**46,049**	13,345
Other revenue:		
Management fee income, net	**–**	20
Advertising income	**183**	–
Bank interest income	**202**	360
Other interest income	**54**	61
Rental income	**21**	(1)
Refund of provident fund unvested benefit	**–**	42
Bad debts recovered	**–**	300
Sundry income	**103**	270

5. Loss from operating activities

The Group's loss from operating activities is arrived at after charging/(crediting):

	Six months ended 30 September	
	2008	2007
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Depreciation	**50**	73
Amount capitalised as contract costs	**(1)**	(5)
	49	68
and after crediting:		
Gain on disposal of property, plant & equipment	**(498)**	(21)

6. Taxation

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong for the six months ended 30 September 2008 (30 September 2007: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 September	
	2008	2007
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current taxation:		
Provision for taxation – PRC	**–**	–
Over provision in prior years – Hong Kong	**–**	439
	–	439
Deferred taxation:		
Reversal during the period	**11**	–
	11	439

7. Dividends

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2008 (30 September 2007: Nil).

8. Loss per share attributable to equity holders of the Company

The calculation of basic loss per share amounts is based on the loss for the six months ended 30 September 2008 attributable to equity holders of the Company of approximately HK$29,709,000 (30 September 2007: loss of HK$9,708,000) and the weighted average number of ordinary shares in issue during the financial period under review of 1,502,830,000 (As at 30 September 2007: 121,083,000).

Diluted loss per share for the six months ended 30 September 2008 and 2007 were the same as the basic loss per share. The company's outstanding convertible notes were not in the calculation of diluted loss per share because the effect of the company's outstanding convertible notes was anti-dilutive.

9. **Accounts receivable**

The payment term of contract work was stipulated in the relevant contracts.

An aged analysis of accounts receivable, net of provisions, as at the balance sheet date is as follows:

	As at 30 September 2008 HK$'000 (Unaudited)	As at 31 March 2008 HK$'000 (Audited)
Within 30 days	**11,155**	5,983
31 – 90 days	**–**	2,776
91 – 180 days	**–**	1,708
Over 180 days	**120,682**	121,448
	131,837	131,915
Less: Impairment losses on accounts receivable	**–**	(24)
	131,837	131,891

Interim applications for progress payments for contract works are normally made on a monthly basis. The Group allows an average credit period of 60 days to its contract customers. For retention money receivables in respect of contract works, the due dates are usually not more than three months after the issue of statements of the final accounts of the contract works. As at 30 September 2008, no retentions held by customers for contract work were included in accounts receivable (31 March 2008: Nil).

10. **Accounts payable**

An aged analysis of the accounts payable as at the balance sheet date is as follows:

	As at 30 September 2008 HK$'000 (Unaudited)	As at 31 March 2008 HK$'000 (Audited)
Within 30 days	**4,821**	4,058
31 – 90 days	**–**	198
91 – 180 days	**130**	43
Over 180 days	**49,876**	50,300
	54,827	54,599

As at 30 September 2008, no retentions payable are included in accounts payable under current liabilities (31 March 2008: Nil).

11. Contingent liabilities

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

(a) Guarantees given to banks in connection with facilities granted to subsidiaries by the Company of approximately HK$23,000,000 (31 March 2008: HK$23,000,000).

As at 30 September 2008 and 31 March 2008, the guarantees given to banks in connection with facilities granted to subsidiaries by the Company were not utilized.

The carrying amount of the financial guarantee contracts recognised in the Company's balance sheet in accordance with HKAS 39 and HKFRS 4 (Amendments) were approximately HK$740,000 (31 March 2008: HK$740,000). The financial guarantee contracts were eliminated on consolidation.

(b) In the normal course of business, the Group is subject to claims of liquidated damages by relevant employers due to a delay in completion of certain phases of construction contracts. The Group has filed extension of time claims with the relevant employers and the directors, based on legal advice, consider that the Group has valid reasons for the extension of time claims. As at the date of approval of these financial statements, the directors are of the opinion that the amount of the ultimate liquidated damages, if any, cannot be ascertained, however, any resulting liability would unlikely materially affect the financial position of the Group.

(c) On 7 August 2002, a High Court action had commenced by a subcontractor against a subsidiary of the Group in respect of (i) a claim of subcontracting fees and material costs of approximately HK$31,300,000; and (ii) a compensation claim of approximately HK$191,200,000 for the improper termination of a subcontracting contract. On 13 September 2002, an agreement was reached between the subsidiary of the Group and the subcontractor that the High Court action was withdrawn and all the disputes between the parties relating to this action were referred to arbitration. In the statement of claim for the arbitration, the subcontractor revised the claim of subcontracting fees and material costs and compensation claim to approximately HK$42,600,000 and HK$84,400,000, respectively. On 9 July 2005, a writ of summons was issued and the proceedings were transferred to the Court of First Instance. The subcontractor further revised the claim of subcontracting fees and material costs and compensation claim to approximately HK$56,000,000 and HK$278,100,000 respectively.

As at the date of approval of these financial statements, no decision had been made in the arbitration and court proceedings. In the opinion of the directors, based on legal advice, the subsidiary of the Group has valid defences, against such claims and any resulting liabilities would not have any material adverse impact on the Group's financial position. Therefore, no provision in respect of such claims was made in the financial statements.

(d) On 13 May 2004, 19 August 2004, 23 August 2005, 28 September 2005 and 4 September 2006, two District Court actions and three High Court actions had commenced by four employees against subsidiaries of the Group and the other respondents in respect of claims for employees' compensation under the common law for personal injuries sustained by the employees in accidents arising in and out of the course of their employments and personal injury, loss and damage arising out of the negligence.

No settlements have been reached and no judgment has been made against the subsidiaries of the Group in respect of the above actions. In the opinion of the directors, the above actions with four employees were either covered by insurance or indemnified by a subcontractor and would not have any material adverse impact on the Group. Therefore, no provision in respect of such claim was made in the financial statements.

(e) On 13 September 2004, a subsidiary of the Group received a notice of arbitration from a nominated subcontractor in respect of a claim against the subsidiary of the Group in respect of subcontracting works performed in a residential development project in Kowloon Tong, Hong Kong. The amount of claim was approximately HK$26,000,000.

On 5 May 2005, the subsidiary of the Group and the nominated subcontractor agreed to enter into a moratorium period of six months to the arbitration. On 13 April 2006, the subsidiary of the Group and the nominated subcontractor further agreed to suspend the arbitration proceedings for three months subject to the rights to re-active the proceedings upon a three day written notice to the subsidiary of the Group. Since this date and up to the date of approval of these financial statements, the arbitration has been dormant and there has been no activity arisen by the parties.

In the opinion of the directors, based on legal advice, the claim was related to a payment being withheld in respect of subcontracting work delays and defects caused by the nominated subcontractor, and the resulting liabilities, if any, would not have material adverse impact on the Group's financial position.

(f) On 26 July 2005, a High Court action was commenced by a subcontracted party of a subcontractor of the Group (the "Subcontracted Party") against a subsidiary of the Group and the subcontractor, which is in liquidation, in respect of a claim of subcontracting fees and material costs of approximately HK$20,500,000 relating to a maintenance term contract. On 25 April 2006, the Subcontracted Party substantially revised its statement of claim and the total amount of claim was revised to approximately HK$14,241,000. In the opinion of the directors, based on legal advice, the subsidiary of the Group has valid defences against such claims and any resulting liabilities would not have any material adverse impact on the Group's financial position. Therefore, no provision in respect of such claims was made in the financial statements.

(g) On 7 December 2006, a subsidiary of the Group received a notice of arbitration from a subcontractor in respect of a claim against the subsidiary of the Group in respect of subcontracting works performed in a residential development project in Kowloon Tong, Hong Kong. The amount of claim was approximately HK$5,629,000. On 24 February 2007, the subsidiary of the Group sought to counterclaim against the subcontractor of approximately HK$8,062,000.

As at the date of approval of these financial statements, no decision had been made in the arbitration. In the opinion of the directors, based on legal advice, the subsidiary of the Group has valid defences against such claims and any resulting liabilities would not have any material adverse impact on the Group's financial position. Therefore, no provision in respect of such claims was made in the financial statements.

(h) On 28 March 2007, a subsidiary of the Group received a notice of arbitration from a nominated subcontractor in respect of a claim against the subsidiary of the Group in respect of subcontracting works performed in a residential development project in Kowloon Tong, Hong Kong. The amount of claim was approximately HK$3,253,000. On 29 June 2007, the subsidiary of the Group sought to counterclaim against the subcontractor of approximately HK$232,000 together with an order for indemnity for a sum amounting to approximately HK$4,389,000.

As at the date of approval of these financial statements, no decision had been made in the arbitration. In the opinion of the directors, based on legal advice, the subsidiary of the Group has valid defences, against such claims and any resulting liabilities would not have any material adverse impact on the Group's financial position. Therefore, no provision in respect of such claims was made in the financial statements.

(i) On 25 September 2008, a High Court action was commenced by a subcontractor of the Group against a subsidiary of the Group in respect of subcontracting works performed in a residential development project in Kowloon Tong, Hong Kong. The amount of claim was approximately HK$12,600,000. The subsidiary of the Group has exercised its option to refer this case to arbitration.

As at the date of approval of these financial statements, no decision has been made. In the opinion of the directors, based on legal advice, the subsidiary of the Group has valid defences, against such claims and any resulting liabilities would not have any material adverse impact on the Group's financial position. Therefore, no provision in respect of such claims was made in the financial statements.

Save as disclosed above, as at 30 September 2008, the Group and the Company had no other material contingent liabilities.

12. Subsequent event

On 6 November 2008, the initial stage of acquiring Beijing Railsmedia Advertisement Co., Limited 北京鐵聯通達廣告傳媒有限公司 ("北京鐵聯通達"), which was contracted by a wholly owned subsidiary of the Company on 24 September 2007 has been completed. Since then, 北京鐵聯通達 would become our non-wholly owned subsidiary.

13. Approval of the financial statement

The unaudited financial statements were approved and authorised for issue by the Board of Directors on 12 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Our core businesses still are building construction and renovation and fitting out works. We also cooperate with strategic partners on project basis. Majority of the Group turnover was derived from renovation and fitting out works during the period under review.

In Hong Kong, there's no sign of improvement in the construction industry. The construction works, no matter it's commenced in the financial period concerned or projects under constructions still kept in a lower level when compared with previous years. The ongoing reduction of construction contract prices from property developers made the situation even worse.

The Group is continuing to downsize the construction department. However, to maintain the quality of our works and reasonable level of safety at site, some essential costs are unavoidable. The Group aims to keep our quality with lowest cost.

On the other hands, in order to reflect our Group to step into the Mainland China's advertising market, with effective from 2 September 2008, the name of the Company has been changed from "Wing Hong (Holdings) Limited" to " China Railsmedia Corporation Limited".

Prospect

In November 2008, the initial stage of acquiring 北京鐵聯通達 has been completed. It is a company incorporated in the Mainland China with limited liability which is engaged in media sales and management services for the multi-media business and the operation of media advertising spaces together with the provision of rail transit value-added services through LCD displays located at the ticketing offices of each station in the Mainland China. Thus, 北京鐵聯通達 would become our non-wholly owned subsidiary and start to contribute revenue to the Group.

In review of the recent global financial environment across the world, uncertainties and increased difficulties in Mainland China advertisement market would be created. To face these unforeseen circumstances, our Group will adopt a conservative approach in planning the implementation of LCD displays in stations.

The Group will continue to drive for operational efficiencies and reduce operating costs and take necessary precautions and measures to prepare for the difficult period going ahead.

Financial Review

For the six months ended 30 September 2008, the Group recorded a turnover of approximately HK$46.0 million in comparing to HK$13.3 million in corresponding period last year. Gross profit recorded HK$1.2 million, whilst in last year same period, the gross profit was HK$1.6 million. Net loss attributable to equity shareholders of the Company for this period was increased to HK$29.7 million, as compared with HK$9.7 million recorded in corresponding period last year.

Liquidity and financing

There were no bank borrowings as at 30 September 2008 and 31 March 2008. The Group's cash and bank deposits (net of overdrafts) were approximately HK$38.0 million (31 March 2008: HK$15.6 million).

The Group's gearing ratio, calculated by aggregate of interest-bearing borrowings, loans from shareholders and other non-current liabilities over total assets, increase slightly to 17.8% at 30 September 2008 from 17.3% at 31 March 2008.

Treasury policies

Cash and bank deposits of the Group are mainly in HK dollars or RMB.

The Group conducts its core business transaction mainly in HK dollars and RMB such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant.

Pledge of assets

As at 30 September 2008 and 31 March 2008, the Group had no time deposits pledged for performance bond facilities.

Use of proceeds

On 30 May 2008, the Company has entered into the placing and subscription agreement in relation to the placing of 93,000,000 shares at a placing price of HK$0.74 per share. The net proceeds of approximately HK$63,000,000 would be used for the acquisition of 北京鐵聯通達 and as general working capital of the Group.

Employment information

On 30 September 2008, the Group had 73 full time employees (31 March 2008: 59 employees), the majority of whom are employed in Hong Kong. They are remunerated at market level with benefits such as medical, retirement benefit and share option scheme.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Group has adopted and met all the Code Provisions set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 September 2008 except for the following deviations:

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Hui Chi Yung currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee comprises three members and all of whom are independent non-executive directors of the Group. It has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters. The Audit Committee has also reviewed the interim results for the six months ended 30 September 2008.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All the information and other related information of the Company as required by the Listing Rules will be published on the Stock Exchange's website in due course. Printed copies of 2008 interim report will be sent to shareholders before the end of December 2008.

APPRECIATION

The Directors would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

On behalf of the Board
China Railsmedia Corporation Limited
Hui Chi Yung
Chairman

Hong Kong, 12 December 2008

As at the date of this announcement, the Board of Directors comprises Mr. Hui Chi Yung, Mr. Yiu Kai Yeuk, Raphael and Mr. Hui Kau Mo as Executive Directors and Mr. Liu Kwong Sang, Mr. Sit Hing Wah and Dr. Hu Chung Kuen, David as Independent Non-Executive Directors.