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 2008

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 2008 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2008

		Six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited) (Restated)
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Turnover		**109,620**	119,276
Cost of sales and services		**(70,254)**	(81,267)
Gross profit		**39,366**	38,009
Other revenue		**4,402**	4,375
Other net income		**890**	3,368
Distribution costs		**(2,921)**	(1,457)
Administrative expenses		**(41,977)**	(44,479)
Finance costs	*4*	**(1,016)**	(2,076)
Loss before taxation	*5*	**(1,256)**	(2,260)
Taxation	*6*	**-**	(97)
Loss for the period from continuing operations		**(1,256)**	(2,357)
Discontinued operations	*7*		
Profit from discontinued operations		**209,147**	16,969
Profit for the period		**207,891**	14,612

	Note		
Attributable to:			
Equity holders of the Company			
- continuing operations		**(990)**	(2,345)
- discontinued operations		**209,147**	16,969
		208,157	14,624
Minority interests			
- continuing operations		**(266)**	(12)
- discontinued operations		**-**	-
		207,891	14,612
Dividend	*8*	**-**	-
(Losses) Earnings per share	*9*		
From continuing operations			
- Basic		**(0.04) HK cents**	(0.10) HK cents
- Diluted		**N/A**	N/A
From discontinued operations			
- Basic		**8.90 HK cents**	0.72 HK cents
- Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2008

	Note	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**204,814**	204,814
Property, plant and equipment		**17,318**	35,722
Interests in associates		**-**	-
Premium for land lease		**65,108**	65,952
Other non-current assets		**3,915**	3,915
Intangible assets		**1,108**	1,899
		292,263	312,302
Current assets			
Inventories		**7,704**	6,801
Trade and other receivables	*10*	**85,944**	98,884
Pledged bank deposits		**-**	748
Bank balances and cash		**215,011**	36,949
		308,659	143,382
Current liabilities			
Trade and other payables	*11*	**108,707**	167,529
Borrowings due within one year		**29,767**	28,498
Obligations under finance leases		**378**	483
Taxation		**1,708**	3,813
		140,560	200,323
Net current assets (liabilities)		**168,099**	(56,941)
Total assets less current liabilities		**460,362**	255,361
Non-current liabilities			
Borrowings due after one year		**32,711**	35,372
Obligations under finance leases		**279**	451
		32,990	35,823
NET ASSETS		**427,372**	219,538

CAPITAL AND RESERVES		
Issued capital	**23,505**	23,505
Reserves	**396,955**	188,937
Total capital and reserves attributable to equity holders of the Company	**420,460**	212,442
Minority interests	**6,912**	7,096
TOTAL EQUITY	**427,372**	219,538

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").

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 2008.

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 1 (Revised)	Presentation of Financial Statements *(Note a)*
HKAS 23 (Revised)	Borrowing Costs *(Note a)*
HKAS 27 (Revised)	Consolidated and Separate Financial Statements *(Note b)*
HKFRS 3 (Revised)	Business Combinations *(Note b)*
HKFRS 8	Operating Segments *(Note a)*

Notes:

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

b. Effective for annual periods beginning on or after 1 July 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 2008	**Continuing operations**					**Discontinued operations**		
	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*	**Total (Unaudited)** *HK$'000*	**International telecommuni-cations services (Unaudited)** *HK$'000*	**Inter-segment elimination (Unaudited)** *HK$'000*	**Group (Unaudited)** *HK$'000*
Turnover								
Revenue from external customers	**7,398**	**54,118**	**48,104**	**-**	**109,620**	**224,857**	**-**	**334,477**
Inter-segment revenue	**-**	**-**	**1,101**	**-**	**1,101**	**9,878**	**(10,979)**	**-**
Segment turnover	**7,398**	**54,118**	**49,205**	**-**	**110,721**	**234,735**	**(10,979)**	**334,477**
Segment results	**(972)**	**7,144**	**(7,141)**	**729**	**(240)**	**1,090**	**-**	**850**
Finance costs					**(1,016)**	**(79)**	**-**	**(1,095)**
Gain on disposal of subsidiaries					**-**	**215,549**	**-**	**215,549**
(Loss) Profit before Taxation					**(1,256)**	**216,560**	**-**	**215,304**
Taxation					**-**	**(7,413)**	**-**	**(7,413)**
(Loss) Profit for the period					**(1,256)**	**209,147**	**-**	**207,891**

Six months ended 30 September 2007	Continuing operations					Discontinued operations		
	International telecommuni-cations services (Unaudited) (Restated) *HK$'000*	Mobile communi-cations services (Unaudited) (Restated) *HK$'000*	Distribution and retail chain (Unaudited) (Restated) *HK$'000*	Others (Unaudited) (Restated) *HK$'000*	Total (Unaudited) (Restated) *HK$'000*	International telecommuni-cations services (Unaudited) (Restated) *HK$'000*	Inter-segment elimination (Unaudited) (Restated) *HK$'000*	Group (Unaudited) (Restated) *HK$'000*
Turnover								
Revenue from external customers	7,495	55,208	56,573	-	119,276	205,060	-	324,336
Inter-segment revenue	-	-	1,285	-	1,285	9,893	(11,178)	-
Segment turnover	7,495	55,208	57,858	-	120,561	214,953	(11,178)	324,336
Segment results	(1,783)	9,363	(5,643)	(2,121)	(184)	16,974	-	16,790
Finance costs					(2,076)	(5)	-	(2,081)
(Loss) Profit before taxation					(2,260)	16,969	-	14,709
Taxation					(97)	-	-	(97)
(Loss) Profit for the period					(2,357)	16,969	-	14,612

3. **SEGMENT INFORMATION (continued)**

(b) ***(i) Secondary reporting format - the geographical segments of the Group's turnover are as follows:***

	Continuing operations		**Discontinued operations**		**Total**	
	Six months ended 30 September		**Six months ended 30 September**		**Six months ended 30 September**	
	2008	2007	**2008**	2007	**2008**	2007
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited) (Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The People's Republic of China ("PRC")	**1,654**	2,033	**-**	-	**1,654**	2,033
Hong Kong	**107,966**	117,243	**57,323**	55,828	**165,289**	173,071
Other Asia Pacific regions	**-**	-	**32,741**	32,652	**32,741**	32,652
North America and the United Kingdom	**-**	-	**134,793**	116,580	**134,793**	116,580
	109,620	119,276	**224,857**	205,060	**334,477**	324,336

(ii) Secondary reporting format - the geographical segments of the Group's results are as follows:

	Continuing operations		**Discontinued operations**		**Total**	
	Six months ended 30 September		**Six months ended 30 September**		**Six months ended 30 September**	
	2008	2007	**2008**	2007	**2008**	2007
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited) (Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**(1,480)**	(900)	**-**	-	**(1,480)**	(900)
Hong Kong	**1,240**	716	**(2,661)**	7,400	**(1,421)**	8,116
Other Asia Pacific regions	**-**	-	**(3,703)**	1,719	**(3,703)**	1,719
North America and the United Kingdom	**-**	-	**7,454**	7,855	**7,454**	7,855
	(240)	(184)	**1,090**	16,974	**850**	16,790

4. **FINANCE COSTS**

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Interest on bank and other borrowings:		
Wholly repayable within five years	**746**	1,021
Not wholly repayable within five years	**240**	1,005
Finance charges on obligations under finance leases	**30**	50
	1,016	2,076

5. **LOSS BEFORE TAXATION**

This is stated after charging (crediting):

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Crediting:		
Write back of provision for trade receivables	**(609)**	(300)
Rentals income from investment properties less direct outgoings of HK$Nil *(30 September 2007: HK$2,000)*	**(3,515)**	(3,558)
Charging:		
Staff costs (include directors' emoluments)	**23,073**	25,165
Cost of inventories	**18,646**	25,166
Depreciation	**2,912**	3,769
Amortisation		
Premium for land lease	**844**	833
Intangible assets	**791**	790
Operating lease charges: minimum lease payments		
Telecommunications equipment	**2,681**	4,032
Premises	**9,227**	6,973
Allowance for doubtful trade and other receivables	**126**	577
Provision for inventories write-down	**36**	167
Loss on disposal of property, plant and equipment	**249**	153

6. **TAXATION**

Hong Kong Profits Tax has been provided at the rate of 16.5% *(2007: 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.

The major components of income tax expense are:

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
Hong Kong Profits Tax	**-**	97
Tax charge from continuing operations	**-**	97
Discontinued operations		
Current tax		
Overseas Profits Tax	**7,413**	-
Tax charge from discontinued operations	**7,413**	-
Total tax charge for the period	**7,413**	97

7. **DISCONTINUED OPERATIONS**

On 29 August 2008, ChinaMotion NetCom Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with CITIC 1616 Holdings Limited to dispose of the entire issued share capital of ChinaMotion NetCom Limited ("CMNL"), a wholly-owned subsidiary of the Company, at a consideration of HK$260,000,000 (subject to adjustments). The disposal was completed on 30 September 2008, on which date control of the business was passed to the acquirer. Details of the assets and liabilities disposed of are disclosed in note 12. The results and net cash flows of the discontinued operations for the current period up to the date of disposal and the prior period are summarised as follows:

		Six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Profit for the period from discontinued operations			
Turnover		**224,857**	205,060
Cost of sales and services		**(197,563)**	(170,060)
Other revenue		**290**	1,061
Other net income		**643**	3,106
Distribution costs		**(1,062)**	(719)
Administrative expenses		**(26,075)**	(21,474)
Finance costs	*(a)*	**(79)**	(5)
Profit before taxation	*(b)*	**1,011**	16,969
Taxation		**(7,413)**	-
(Loss) Profit for the period from discontinued operations		**(6,402)**	16,969
Gain on disposal of discontinued operations		**215,549**	-
Profit from discontinued operations		**209,147**	16,969

Note:

(a) Finance costs

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings:		
Wholly repayable within five years	**55**	-
Finance charges on obligations under finance leases	**24**	5
	79	5

7. **DISCONTINUED OPERATIONS (continued)**

(b) Profit before taxation

This is stated after charging (crediting):

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Crediting:		
Write back of provision for trade receivables	**(25)**	(134)
Charging:		
Staff costs (include directors' emoluments)	**14,364**	12,729
Depreciation	**2,783**	2,633
Operating lease charges: minimum lease payments		
Telecommunications equipment	**8,927**	18,178
Premises	**7,184**	-
Allowance for doubtful trade and other receivables	**434**	144
Loss on disposal of property, plant and equipment	**37**	62

8. **DIVIDEND**

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

9. **(LOSSES) EARNINGS PER SHARE**

The calculation of basic (losses) earnings per share is based on the (loss) profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 September 2008.

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited) (Restated)
Weighted average number of shares in issue	**2,350,475,573**	2,350,475,573
Loss from continuing operations attributable to equity holders of the Company (HK$'000)	**(990)**	(2,345)
Basic losses per share from continuing operations attributable to equity holders of the Company (HK cents)	**(0.04)**	(0.10)
Profit from discontinued operations attributable to equity holders of the Company (HK$'000)	**209,147**	16,969
Basic earnings per share from discontinued operations attributable to equity holders of the Company (HK cents)	**8.90**	0.72
Profit attributable to equity holders of the Company (HK$'000)	**208,157**	14,624
Basic earnings per share attributable to equity holders of the Company (HK cents)	**8.86**	0.62

Diluted earnings per share for the six months ended 30 September 2008 and 2007 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.

10. **TRADE AND OTHER RECEIVABLES**

	30 September 2008	31 March 2008
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables		
Trade receivables from third parties	**45,359**	109,396
Allowance for doubtful debts	**(16,795)**	(49,532)
	28,564	59,864
Other receivables		
Deposits, prepayments and other receivables	**56,437**	38,079
Due from associates	**943**	941
	57,380	39,020
	85,944	98,884

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.

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

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

	30 September 2008 (Unaudited) ***HK$'000***	31 March 2008 (Audited) *HK$'000*
0 – 30 days	**12,038**	29,369
31 – 60 days	**2,848**	7,597
61 – 90 days	**1,549**	6,019
Over 90 days	**12,129**	16,879
	28,564	59,864

11. **TRADE AND OTHER PAYABLES**

	30 September 2008 (Unaudited) ***HK$'000***	31 March 2008 (Audited) *HK$'000*
Trade payables	**38,092**	126,148
Other payables		
Accrued charges and other creditors	**58,359**	25,644
Advance subscription fees received	**8,731**	8,547
Deposits received	**2,778**	6,340
Due to associates	**747**	850
	70,615	41,381
	108,707	167,529

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

	30 September 2008 (Unaudited) ***HK$'000***	31 March 2008 (Audited) *HK$'000*
0 – 30 days	**4,936**	22,152
31 – 60 days	**2,558**	9,851
61 – 90 days	**811**	8,614
Over 90 days	**29,787**	85,531
	38,092	126,148

12. **DISPOSAL OF SUBSIDIARIES**

	Six months ended 30 September 2008 (Unaudited) *HK$'000*
Net assets disposed of:	
Property, plant and equipment	**14,199**
Trade and other receivables	**53,385**
Cash and cash equivalents	**12,567**
Trade and other payables	**(109,452)**
Taxation	**(286)**
Borrowings due within one year	**(5,839)**
Reserves	**227**
	(35,199)
Gain on disposal of subsidiaries	**215,549**
	180,350
Satisfied by:	
Net consideration received	**187,945**
Deferred consideration receivable	**26,000**
Less: Estimated adjustment on completion	**(19,877)**
Costs related to disposal	**(13,718)**
	180,350
Net cash inflow arising on disposal:	
Net consideration received	**187,945**
Less: Cash and cash equivalents disposed of	**(12,567)**
	175,378

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Operations Review

For the period under review, the Group has begun to fine tune its investment and corporate strategy to capture potential business opportunities. With the need to redeploy capital for future investment and the increasing competitiveness in the international voice business worldwide, the Group has made a strategic decision to divest the wholesale IDD and overseas calling cards business. The divestiture of this business was completed at the end of September 2008 and as a result, the Group has made a substantial gain of approximately HK$216 million from such operation during the review period.

Despite a deteriorating global market condition and the melt down of the financial industry, the Group managed to record a slight increase in turnover to HK$334 million, of which HK$110 million was from the continuing operations. The overall gross profit margin was 20%, whereas for the continuing operations, it was 36%. During the period, net profit amounted to HK$208 million, a substantial increase which largely attributed to the gain from the disposal of the discontinued operations.

Mobile Communications Services

Turnover for the whole segment decreased slightly by 2% to HK$54 million for the period under review, accounting for 16% of the Group's total turnover. Operating profit amounted to HK$7 million with a gross profit margin of 40%.

The Group maintains its leadership in the cross border mobile communications. The Mobile Virtual Network Operators ("MVNO"), under the "CM Mobile" brand, remains a core business and a major revenue driver for the Group. The MVNO business achieved an operating profit of HK$9 million with a gross profit margin of 41% despite a slight decline in average revenue per subscriber as a result of implementing a one way charging mechanism in China during the period. To expand the reach to and broaden our target base, the Group has stepped up its marketing and sales effort to acquire new subscribers for its One Sim Dual Number service resulting in 26% subscriber growth when compared to the last corresponding period.

As competition continues to heat up in the mobile segment, apart from continuing to expand sales channels and dealerships, the Group will continue to strengthen its sales team to serve targeted corporate clients, implement credit measures and focus on high margin value-added services so as to protect and grow its core revenue base.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Distribution and Retail Chain

During the period, turnover from the segment decreased by 15% to HK$49 million, accounting for 15% of the Group's total turnover. The decrease was primarily attributed to the retail chain business reflecting our focus on higher margin handsets and less on the branded lower margin products. As a result, this business segment reported a higher gross margin to 35%, but still incurred an operating loss of HK$7 million because of the higher rental expenses associated with the retail outlets.

The 22 retail outlets, under the "CM Concept" brand, serve as a one-stop-shop platform for telecommunications products and services. The Group will continue to face pressure in this sector as retail consumption is expected to be low in this uncertain economy. As such, the Group has adopted various measures to enhance competitiveness and efficiency in its operation. Those measures included adjustment of commission policy, improvement of product knowledge of sales staff, strengthening of cooperation with major operators and handset suppliers, and sourcing of new products.

The Group's IDD pre-paid calling cards remains an undisputed leader in the outbound calling to China. Besides the retail outlets, the Group maintains a network of more than 1,000 distributors and resellers, making it one of the largest distribution networks in the territory. To build on this base, the Group will continue to enhance its offerings in the mobile prepaid and international ethnic market.

International Telecommunications Services

With the disposal of wholesale IDD and overseas calling cards business, the retail IDD business becomes the focus for the international telecommunications segment.

During the period, the turnover for the segment, including the discontinued operations, increased by 9% to HK$242 million, of which HK$7 million was from the remaining retail IDD services. Revenue for the retail IDD service, branded under "0050" prefix dialing code, remained relatively flat over the previous period. The discontinued segment recorded an operating profit of HK$1 million, whereas the remaining retail IDD business had an operating loss of HK$1 million. As at 30 September 2008, the retail IDD service segment had a total of 338,000 registered subscribers.

Prospects

The world economy has been seriously hit by the recent global financial crisis and is expected to remain in the slump in the foreseeable future. That plus the challenging industry environment will continue to pose pressure on operations of the Group. As such, the Group will step up its cost control measure and will focus on developing new services to consolidate its leadership in the mobile and distribution business. In addition, the Group will continue to fine tune its business model and will actively explore different potential investment opportunities to strengthen and expand its businesses portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Disposal of Wholesale IDD and Overseas Calling Cards Business

On 29 August 2008, ChinaMotion NetCom Holdings Limited, a wholly-owned subsidiary of the Company, as vendor, entered into a sale and purchase agreement with CITIC 1616 Holdings Limited, as purchaser, to dispose of the entire issued share capital of ChinaMotion NetCom Limited ("CMNL"), a wholly-owned subsidiary of the Company and together with its subsidiaries (the "NetCom Group") engaged in provision of wholesale IDD services and overseas calling cards services, and the net payables, representing the net amount which stood due owing from the NetCom Group to the Group (excluding the NetCom Group) as at completion, at a cash consideration of HK$260,000,000 subject to the adjustments as set out in the said agreement (the "NetCom Disposal"). Net proceeds of approximately HK$180,350,000 were raised for the Group from the NetCom Disposal. Details of the transaction were disclosed in the announcement dated 29 August 2008 and the circular dated 19 September 2008.

The said transaction was completed on 30 September 2008 save that transfer of 51% interests in CM Tel (USA) LLC, a member of the NetCom Group, would be deferred with deferred consideration of HK$26,000,000 in escrow pending the approval from the relevant government authorities in the United States of America in respect of change of control. Upon completion, CMNL had ceased to be a wholly-owned subsidiary of the Company.

Financial Position

As at 30 September 2008, the Group's bank balances and cash amounted to approximately HK$215,011,000 *(31 March 2008: HK$36,949,000)*. Total borrowings and obligations under finance leases amounted to approximately HK$63,135,000 *(31 March 2008: HK$64,804,000)*. The Group's bank loans are repayable monthly and the last monthly installment will be in June 2022. The gearing ratio of total borrowings as a percentage of the total capital and reserves attributable to equity holders of the Company was 15% *(31 March 2008: 31%)*.

As at 30 September 2008, the Group had aggregate banking facilities of approximately HK$92,000,000 (excluding property mortgage loans), of which HK$67,522,000 were unutilised.

As a result of the completion of the NetCom Disposal, the Company raised net proceeds of approximately HK$180,350,000 which have been retained as general working capital of the Group and to fund any potential investments available to the Group in future.

It is anticipated that the Group's bank balance and cash, as at 30 September 2008, together with the unutilised banking facilities, stable rental income and net proceeds of NetCom Disposal will be sufficient to discharge its debts and to fund its operations.

Share Capital

As at 30 September 2008, the Company had 2,350,475,573 shares in issue with total shareholders' fund of the Group amounting to approximately HK$420,460,000.

Contingent Liabilities

As at 30 September 2008, the Group had contingent liabilities amounting to approximately HK$14,000,000 and HK$4,781,000 *(31 March 2008: HK$27,796,000 and HK$Nil)* in respect of guarantees given to third parties against non-performance of contractual obligations by subsidiaries and former subsidiaries respectively.

Charge on Assets

As at 30 September 2008, the Group's leasehold building, premium for land lease and investment properties with aggregate carrying value of approximately HK$272,548,000 *(31 March 2008: HK$273,496,000)* 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 continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policies

Following the NetCom Disposal, the Group had 171 full-time staff as at 30 September 2008. Total staff costs (including directors' emoluments) incurred by both continued and discontinued operations for the period amounted to approximately HK$37,437,000 *(2007: HK$37,894,000)*. 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 other benefits to its staff, including discretionary bonus, 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 2008, other than those disclosed in this announcement.

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 2008.

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 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has applied the principles in and 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, except that under code provision E.1.2, Mr. Ting Pang Wan, Raymond, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 20 August 2008 due to other business commitments.

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 regarding directors' securities transactions during the period.

SUBSEQUENT EVENTS

(a) The Group entered into a sale and purchase agreement in March 2008 to dispose of its properties in Beijing with net carrying value of HK$5,315,000 as at 30 September 2008 for consideration of RMB4,765,600 (equivalent to approximately HK$5,315,000). As at the date of the announcement, the transfer of title is still in progress.

(b) Subsequent to the balance sheet date, the Group entered into a sale and purchase agreement in October 2008 to dispose of its properties with net carrying value of HK$7,427,000 as at 30 September 2008 for consideration of HK$11,800,000. The disposal was completed in mid-December 2008.

SUBSEQUENT EVENTS (continued)

(c) On 1 December 2008, the Company entered into the placing agreement with Kingston Securities Limited, as placing agent, for placing of 470,024,427 new shares of the Company, representing approximately 16.66% of the Company's issued share capital as enlarged by the placing, on a fully written basis to not fewer than six independent placees at the placing price of HK$0.042 per share. All conditions set out in the placing agreement, among other things, the grant of the listing of, and permission to deal in, the placing shares, under the placing by the Stock Exchange, have been fulfilled and the placing was completed on 19 December 2008. The net proceeds of approximately HK$19.49 million from the placing will be used for general working capital. Details of the placing were disclosed in the announcements dated 1 December 2008 and 19 December 2008.

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 2008 containing all the information required by 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, 22 December 2008

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*