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 2011

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 2011 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2011

		Six months ended 30 September	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	*4*	**87,405**	88,842
Cost of sales and services		**(53,907)**	(53,460)
Gross profit		**33,498**	35,382
Other revenue	*4*	**8,361**	7,932
Other net income		**2,833**	23
Gain on disposal of a subsidiary		**-**	32
Distribution costs		**(1,537)**	(1,973)
Administrative expenses		**(46,888)**	(32,339)
Finance costs	*5*	**-**	(4)
(Loss) profit before taxation	*6*	**(3,733)**	9,053
Taxation	*7*	**(1,008)**	(1,596)
(Loss) profit for the period from continuing operations		**(4,741)**	7,457
Discontinued operations			
Loss from discontinued operations	*8*	**-**	(8,143)
Loss for the period		**(4,741)**	(686)

	Note	Six months ended 30 September **2011** **(Unaudited)** ***HK$'000***	2010 (Unaudited) *HK$'000*
(Loss) profit attributable to:			
Shareholders of the Company			
- continuing operations		**(4,519)**	7,269
- discontinued operations		**-**	(8,143)
		(4,519)	(874)
Non-controlling interests			
- continuing operations		**(222)**	188
- discontinued operations		**-**	-
		(222)	188
		(4,741)	(686)
Dividend	*9*	**-**	-
(Loss) earnings per share	*10*		
From continuing and discontinued operations			
- Basic and diluted		(0.1602) HK cents	(0.0310) HK cents
From continuing operations			
- Basic		(0.1602) HK cents	0.2577 HK cents
- Diluted		(0.1602) HK cents	0.2572 HK cents
From discontinued operations			
- Basic and diluted		N/A	(0.2887) HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(4,741)**	(686)
Other comprehensive income for the period		
Exchange difference on translation of foreign operations	**780**	439
Total comprehensive loss for the period	**(3,961)**	(247)
Total comprehensive (loss) income attributable to:		
Shareholders of the Company		
- continuing operations	**(3,737)**	7,707
- discontinued operations	**-**	(8,143)
	(3,737)	(436)
Non-controlling interests		
- continuing operations	**(224)**	189
	(3,961)	(247)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2011

	Note	30 September 2011 (Unaudited) HK$'000	31 March 2011 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**212,500**	212,500
Property, plant and equipment		**4,547**	4,352
Goodwill		**80,585**	80,585
Interests in associates		**-**	-
Prepaid premium for land lease		**-**	1,136
Other non-current assets		**3,130**	3,130
Deferred tax assets		**1,233**	1,233
		301,995	302,936
Current assets			
Inventories		**6,395**	2,403
Trade and other receivables	*11*	**37,380**	32,252
Bank balances and cash		**92,907**	104,760
		136,682	139,415
Current liabilities			
Trade and other payables	*12*	**31,767**	31,832
Taxation		**878**	526
		32,645	32,358
Net current assets		**104,037**	107,057
Total assets less current liabilities		**406,032**	409,993
Non-current liabilities			
Deferred tax liabilities		**6,236**	6,236
NET ASSETS		**399,796**	403,757

	30 September 2011 (Unaudited) *HK$'000*	31 March 2011 (Audited) *HK$'000*
CAPITAL AND RESERVES		
Issued capital	**28,205**	28,205
Reserves	**365,594**	369,331
Total capital and reserves attributable to shareholders of the Company	**393,799**	397,536
Non-controlling interests	**5,997**	6,221
TOTAL EQUITY	**399,796**	403,757

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").

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2011.

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 the preparation of the interim financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2011, except for the adoption of the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards and interpretations described below.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 April 2011.

HKAS 24 (Revised)	Related Party Disclosures
HKFRSs (Amendments)	Improvements to HKFRSs (2010)

The application of the new HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods.

The Group has not early adopted the following new standards, amendments to standard and interpretations, which have been issued but are not effective for the financial year beginning on 1 April 2011.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters *(Note a)*
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets *(Note a)*
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets *(Note b)*
HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income *(Note c)*
HKFRS 9	Financial Instruments *(Note d)*
HKFRS 10	Consolidated Financial Statements *(Note d)*
HKFRS 11	Joint Arrangements *(Note d)*
HKFRS 12	Disclosure of Interests in Other Entities *(Note d)*
HKFRS 13	Fair Value Measurement *(Note d)*
HKAS 19 (2011)	Employee Benefits *(Note d)*
HKAS 27 (2011)	Separate Financial Statements *(Note d)*
HKAS 28 (2011)	Investments in Associates and Joint Ventures *(Note d)*

Notes:

a. *Effective for annual periods beginning on or after 1 July 2011.*

b. *Effective for annual periods beginning on or after 1 January 2012.*

c. *Effective for annual periods beginning on or after 1 July 2012.*

d. *Effective for annual periods beginning on or after 1 January 2013*.

The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

3. **SEGMENT INFORMATION**

The Group is principally engaged in the provision of mobile communications services and retail sales and management services.

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

Six months ended 30 September 2011	**Continuing operations**				**Discontinued operations**		
	Mobile Communi-cations services (Unaudited)	**Retail sales and management services (Unaudited)**	**Others (Unaudited)**	**Total (Unaudited)**	**Distribution and retail sales (Unaudited)**	**Inter-segment elimination (Unaudited)**	**Group (Unaudited)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover							
Revenue from external customers	**46,295**	**41,110**	**-**	**87,405**	**-**	**-**	**87,405**
Inter-segment revenue	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Segment turnover	**46,295**	**41,110**	**-**	**87,405**	**-**	**-**	**87,405**
Segment results	**(4,527)**	**2,895**	**(2,432)**	**(4,064)**	**-**	**-**	**(4,064)**
Interest income				**331**	**-**	**-**	**331**
Loss before taxation				**(3,733)**	**-**	**-**	**(3,733)**
Taxation				**(1,008)**	**-**	**-**	**(1,008)**
Loss for the period				**(4,741)**	**-**	**-**	**(4,741)**

Six months ended 30 September 2010	**Continuing operations**				**Discontinued operations**		
	Mobile Communi-cations services (Unaudited)	Retail sales and management services (Unaudited)	Others (Unaudited)	Total (Unaudited)	Distribution and retail sales (Unaudited)	Inter-segment elimination (Unaudited)	Group (Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover							
Revenue from external customers	51,231	37,611	-	88,842	21,803	-	110,645
Inter-segment revenue	-	-	-	-	301	(301)	-
Segment turnover	51,231	37,611	-	88,842	22,104	(301)	110,645
Segment results	3,609	5,474	(274)	8,809	(8,143)	-	666
Interest income				216	-	-	216
Finance costs				(4)	-	-	(4)
Gain on disposal of a subsidiary				32	-	-	32
Profit (loss) before taxation				9,053	(8,143)	-	910
Taxation				(1,596)	-	-	(1,596)
Profit (loss) for the period				7,457	(8,143)	-	(686)

4. TURNOVER AND REVENUE

The Group's turnover and revenue recognised by category are as follows:

	Note	Six months ended 30 September 2011 (Unaudited) *HK$'000*	2010 (Unaudited) *HK$'000*
Continuing operations			
Sale of telecommunications equipment and products		**8,173**	15,357
Commission income		**1,307**	1,329
Mobile communications services income		**44,947**	46,789
Retail sales and management services income		**32,978**	22,715
Trunked radio services income		**-**	2,652
Turnover		**87,405**	88,842
Rental income		**3,560**	3,736
Interest income		**331**	216
Others		**4,470**	3,980
Other revenue		**8,361**	7,932
Total revenue from continuing operations		**95,766**	96,774
Discontinued operations			
Total revenue from discontinued operations	*8(a)*	**-**	21,803
Total revenue		**95,766**	118,577

5. FINANCE COSTS

	Six months ended 30 September 2011 (Unaudited) *HK$'000*	2010 (Unaudited) *HK$'000*
Finance charges on obligations under finance leases	**-**	4

6. **(LOSS) PROFIT BEFORE TAXATION**

This is stated after charging (crediting):

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Crediting:		
Rental income from investment properties less direct outgoings of HK$Nil *(2010: HK$Nil)*	**(3,560)**	(3,736)
Charging:		
Staff costs (include directors' emoluments)	**23,717**	24,596
Cost of inventories	**9,054**	15,357
Depreciation	**930**	989
Amortisation		
Prepaid premium for land lease	**4**	38
Operating lease charges		
Telecommunications equipment	**775**	950
Premises	**6,339**	6,367
Allowance for doubtful trade and other receivables	**9,641**	212
Write-down of inventories	**2**	583

7. **TAXATION**

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for both periods as the Group has no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

PRC Enterprise income tax has been provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the PRC.

The major components of income tax charge are:

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
PRC Enterprise Income Tax	**1,008**	1,596
Tax charge from continuing operations	**1,008**	1,596
Discontinued operations		
Current tax		
Hong Kong Profits Tax	**-**	-
Tax charge from discontinued operations	**-**	-
Total tax charge for the period	**1,008**	1,596

8. **DISCONTINUED OPERATIONS**

During the year ended 31 March 2011, the Group ceased its distribution and retail sales business in Hong Kong and classified it as discontinued operations. The comparative information of discontinued operations was re-presented to include the results of the business.

The results of the discontinued operations for the current period and the prior period are summarised as follows:

		Six months ended 30 September	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Loss for the period from discontinued operations			
Turnover	*(a)*	-	21,803
Cost of sales and services		-	(16,043)
Distribution costs		-	(2)
Administrative expenses		-	(13,901)
Loss before taxation	*(b)*	-	(8,143)
Taxation	*7*	-	-
Loss for the period from discontinued operations		-	(8,143)

Notes:

(a) Turnover

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sale of telecommunications equipment and products	-	18,740
Commission income	-	3,015
Retail sales and management services income	-	48
	-	21,803

(b) Loss before taxation

This is stated after charging:

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Charging:		
Staff costs (include directors' emoluments)	-	4,794
Cost of inventories	-	15,324
Depreciation	-	203
Operating lease charges		
Premises	-	4,206

9. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2011 *(2010: Nil)*.

10. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share is based on the following data:

	Six months ended 30 September 2011 (Unaudited)	2010 (Unaudited)
A. Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**2,820,500,000**	2,820,500,000
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**-**	5,165,268
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**2,820,500,000**	2,825,665,268
B. (Loss) earnings for operations:		
(i) For continuing and discontinued operations		
Loss attributable to shareholders of the Company (HK$'000)	**(4,519)**	(874)

Diluted loss per share for the six months ended 30 September 2011 and 2010 are the same as the basic loss per share because the conversion of potential ordinary shares would have anti-dilutive effect.

(ii) For continuing operations		
(Loss) profit from continuing operations attributable to shareholders of the Company (HK$'000)	**(4,519)**	7,269

Diluted loss per share from continuing operations for the six months ended 30 September 2011 is the same as the basic loss per share because the conversion of potential ordinary shares would have anti-dilutive effect.

(iii) For discontinued operations		
Loss from discontinued operations attributable to shareholders of the Company (HK$'000)	**-**	(8,143)

Diluted loss per share from discontinued operations for the six months ended 30 September 2011 and 2010 are the same as the basic loss per share because the conversion of potential ordinary shares would have anti-dilutive effect.

11. TRADE AND OTHER RECEIVABLES

	Note	30 September 2011 (Unaudited) *HK$'000*	31 March 2011 (Audited) *HK$'000*
Trade receivables			
Trade receivables from third parties		**28,398**	14,248
Allowance for doubtful debts	*(a)*	**(803)**	(809)
		27,595	13,439
Other receivables			
Deposits, prepayments and other receivables		**19,111**	18,983
Allowance for doubtful debts	*(b)*	**(9,326)**	(170)
		9,785	18,813
		37,380	32,252

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 90 days. The carrying amount of the amounts due approximates their fair values.

The ageing analysis of the trade receivables (net of allowance for doubtful debts) from the date of invoices as at the end of reporting period is as follows:

	30 September 2011 (Unaudited) *HK$'000*	31 March 2011 (Audited) *HK$'000*
0 – 30 days	**13,517**	7,849
31 – 60 days	**5,908**	3,232
61 – 90 days	**5,800**	422
Over 90 days	**2,370**	1,936
	27,595	13,439

Notes:

(a) Allowance for doubtful debts – Trade receivables

	30 September 2011 (Unaudited) *HK$'000*	31 March 2011 (Audited) *HK$'000*
Balance at beginning of period/year	**809**	17,394
Increase in allowance	**139**	244
Amount recovered	**(145)**	-
Amount written off	**-**	(16,829)
	803	809

Included in the Group's trade receivables balance are debtors with a carrying amount of HK$12,036,000 *(31 March 2011: HK$2,514,000)* which are past due at the end of the reporting period for which the Group has not impaired as there has not been a significant change in credit quality and the directors consider that the amounts are recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 30-120 days *(31 March 2011: 30-150 days)*.

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

(b) Allowance for doubtful debts – Other receivables

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
	HK$'000	*HK$'000*
Balance at beginning of period/year	**170**	170
Increase in allowance	**9,326**	-
Amount written off	**(170)**	-
	9,326	170

12. **TRADE AND OTHER PAYABLES**

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
	HK$'000	*HK$'000*
Trade payables	**6,929**	6,928
Other payables		
Accrued charges and other creditors	**16,519**	17,549
Advance subscription fees received	**5,053**	3,828
Deposits received	**3,266**	2,826
Due to an associate	**-**	701
	24,838	24,904
	31,767	31,832

The ageing analysis of trade payables from date of invoices as at the end of the reporting period is as follows:

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
	HK$'000	*HK$'000*
0 – 30 days	**5,587**	5,235
31 – 60 days	**1,014**	1,458
61 – 90 days	**294**	107
Over 90 days	**34**	128
	6,929	6,928

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Operations Review

With the discontinuation of certain non-performing assets and businesses in the last fiscal year, the Group began to focus its resources behind its existing mobile-related services and explored new business opportunities in the first half of the year. During the period under review, the Group's turnover declined 21% to HK$87,405,000 largely due to the discontinuation of its Hong Kong retail and two-way trunked radio businesses. Excluding the effect of the discontinued operations, the Group's turnover decreased 2% as compared to the last corresponding period. Despite an improved gross margin to 38%, the Group reported an operating loss of HK$6,342,000 and an after tax loss of HK$4,741,000. This compared to an operating profit of HK$878,000 and a net loss of HK$686,000 in the last corresponding period. The increased loss was largely attributed to an one-off allowance of HK$9,326,000 for certain doubtful debts due from a Group's debtor.

Mobile Communications Services

The mobile communications services segment comprised of a licensed Mobile Virtual Network Operators ("MVNO") business in Hong Kong only during the period. The turnover of MVNO business declined by 4% to HK$46,295,000 for the period under review. This turnover accounted for 53% of the Group's total turnover for the continuing operations. The decline was primarily due to the discontinuation of certain low margin revenues and non-profitable customers. As a result, the MVNO business's gross margin improved to 34% from 32% in the same period last year. MVNO business reported an operating loss of HK$4,379,000 during the period compared to an operating profit of HK$3,884,000 in the last corresponding period. The loss was attributed to an one-off allowance of HK$9,326,000 made for certain doubtful debts which were not settled by a debtor according to the agreed schedule. Such doubtful debts related to debts due by a former owner of a business partner who had personally assumed certain outstanding trade receivables of such business partner at the time of its disposal. However, the Group is continuously pursuing to recover the debts and reserves the right to take legal action in due course. Excluding this one-off allowance, the MVNO business would have reported an operating profit of HK$4,718,000, an improvement of 21% versus the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Mobile Communications Services (continued)

During the period under review, the MVNO business continued to face major challenge in the extremely competitive market, particularly in the data access services with competition offering heavy subsidies on smartphone devices. This competitive pressure forced MVNO business to continue providing higher rebate to customers which had negatively impacted the financial performance of the business. With the exit of the CM Concept retail business in January 2011, MVNO business also lost a major distribution channel and retail presence in competing in the mass market. As such, MVNO business made a conscious move to discontinue certain low margin services and unprofitable customers and re-focused its resources and strengthened its operation behind its high-value customers and new market segments in an effort to protect and broaden its revenue base. The strategy began to pay off as the overall revenue and contribution for key market segments were showing signs of improvement. At the end of the period, MVNO business also managed to increase its overall subscriber base with its post-paid subscribers increased by 3% versus last corresponding period.

During the period, MVNO business began working on a number of new initiatives with the objective to enhance its services and broaden its product portfolio. In addition to the new 3G services, which introduced last year, MVNO business expects to introduce certain product enhancements and other new value-added marketing services in the near future to provide the driving force to grow the revenue and contribution in the cross-border communications market segment.

Retail Sales and Management Services

During the period under review, turnover for the segment, which represented the Shanghai retail sales and management services (“Shanghai Operation”), increased 9% to HK$41,110,000 which accounted for 47% of the Group’s turnover for the continuing operations. This increase was primarily attributed to the additional prepaid card business and the handset bundling services initiated by the Shanghai Operation to broaden its revenue base. Gross margin declined to 43% with an operating profit of HK$3,261,000 reflecting the higher portion of the lower margin service fee associated with both the prepaid card business and the handset bundling services.

The changing competitive landscape in the 3G telecommunications market and the highly penetrated Shanghai telecom market had forced the mobile operators to continuously adjust their marketing strategy to support the acquisition of 3G subscribers and thus the remuneration to their partners as a result. This had negatively impacted the income derived from all sources of revenue and in particular, the prepaid SIM card as the new requirement for registration of actual names and addresses added another layer of barrier to the process. To counter this impact, Shanghai Operation had expanded its effort in the handset wholesales and bundling services by partnering with handset manufacturers and the operator’s regional district sales offices to expand its offering in an effort to generate more revenue and service fee.

Retail Sales and Management Services (continued)

At the end of the period under review, the Shanghai Operation maintained a total of 27 service stores and remained one of the lead partners of a telecom carrier in Shanghai. During the period, in support of the local Government in property re-development, some stores had to be relocated and thus created temporary impact on and disruption to the operation. As stores will be closed and re-opened due to the expiry of the store's leases in the coming months, Shanghai Operation and customers would continuously be impacted negatively. This disruption, although posing a threat to our continual stable income stream, provides us with the opportunities to freshen up the store image and benefits us in the longer term.

Prospects

Notwithstanding the world economy begins to improve, the road to a full recovery for the Group's business continues to be a challenge. The inflation risk in both Hong Kong and China as we faced in the past year continues to be major issue for us in the future. Cost of operation will continue to be disproportionally increased across the organization. In the extremely competitive telecommunications market with continuing downward pricing pressure and narrowing margin, this is becoming a significant concern and threat to the profitability of the business.

Despite the difficult market environment and competitive landscape, the scale of the market and the new regulatory framework still present an immense opportunity, particularly in China. The increasing popularity of the mobile broadband data and smartphone devices gives rise to a wide range of new mobile applications that cater towards to different segment of the market. The proposed convergence across telecommunications, internet and television broadcasting networks in China by the country's regulatory body will further fuel the growth for years to come. The Group continues to seek additional investment opportunities to strengthen and expand its business portfolio in the future.

Disposal of Property

The Group completed the disposal of a premise with a net book value of HK$1,321,000 as at 31 March 2011 at a price of HK$3,950,000 in May 2011. Such disposal provided a profit of HK$2,609,000 and cash inflow of HK$3,925,000 during the period.

Financial Position

As at 30 September 2011, the Group maintained cash and cash equivalent of approximately HK$92,907,000 *(31 March 2011: HK$104,760,000)* with no borrowings *(31 March 2011: Nil)* and no obligations under finance leases *(31 March 2011: Nil)*. The Group had no gearing as at 30 September 2011 *(31 March 2011: Nil)*.

It is anticipated that the Group's bank balances and cash as at 30 September 2011, together with the stable rental income, will be sufficient to fund its operations. As at 30 September 2011, the Group had no banking facilities.

Share Capital

As at 30 September 2011, the Company had 2,820,500,000 shares in issue with total shareholders' fund of the Group amounting to approximately HK$393,799,000 *(31 March 2011: HK$397,536,000)*.

Financial Guarantees

As at 30 September 2011, the Group did not have any contingent liabilities *(31 March 2011: Nil)*.

Charge on Assets

As at 30 September 2011, the Group did not have any charge on its assets *(31 March 2011: Nil)*.

Exposures to Fluctuations in Exchange Rates

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi. The Group is exposed to the fluctuations in Renminbi as certain receipts and payments are settled by Renminbi. 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

As at 30 September 2011, the Group had 370 full-time staff. Total staff costs (including directors' emoluments) incurred by both continuing and discontinued operations for the period amounted to approximately HK$23,717,000 *(2010: HK$29,390,000)*. The Group's remuneration policy is in line with prevailing market practice and 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 2011, other than those disclosed in this announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with management and the auditor 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 2011.

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 2011.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 24 August 2011 due to other business commitments.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules on 21 July 2009 as the Company's code of conduct for dealings in securities of the Company by directors. All directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard as set out in 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 of Hong Kong Limited *(www.hkex.com.hk)*. An interim report for the six months ended 30 September 2011 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
Wu Chi Chiu
Director

Hong Kong, 25 November 2011

As at the date hereof, the executive directors are Mr. Ting Pang Wan, Raymond, Mr. Wu Chi Chiu and Ms. Zhou Lijuan and the independent non-executive directors are Mr. Sin Ka Man, Mr. Huang An Guo and Ms. Wong Fei Tat.

* *for identification purpose only*