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 2012

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 2012 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

		Six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
			(Restated)
Turnover	*4*	**88,095**	89,255
Cost of sales and services		**(52,507)**	(53,907)
Gross profit		**35,588**	35,348
Other revenue	*4*	**5,187**	6,511
Other net income		**2**	2,833
Distribution costs		**(1,431)**	(1,537)
Administrative expenses		**(35,504)**	(46,888)
Impairment of goodwill		**(6,622)**	-
Loss before taxation	*5*	**(2,780)**	(3,733)
Taxation	*6*	**(695)**	(1,008)
Loss for the period		**(3,475)**	(4,741)

		Six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
(Loss) profit attributable to:			
Shareholders of the Company		**(3,633)**	(4,519)
Non-controlling interests		**158**	(222)
		(3,475)	(4,741)
Dividend	*7*	**-**	-
Loss per share	*8*		
- Basic and diluted		**(0.13) HK cents**	(0.16) HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(3,475)**	(4,741)
Other comprehensive income for the period		
Exchange difference on translation of foreign operations	**42**	780
Total comprehensive loss for the period	**(3,433)**	(3,961)
Total comprehensive (loss) income attributable to:		
Shareholders of the Company	**(3,591)**	(3,737)
Non-controlling interests	**158**	(224)
	(3,433)	(3,961)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Note	**30 September 2012 (Unaudited)** *HK$'000*	31 March 2012 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**225,000**	227,800
Property, plant and equipment		**3,788**	3,913
Goodwill		**22,495**	29,117
Interests in associates		**-**	-
Other non-current assets		**3,130**	3,130
Deferred tax assets		**1,233**	1,233
		255,646	265,193
Current assets			
Inventories		**7,432**	7,966
Trade and other receivables	*9*	**26,207**	26,745
Bank balances and cash		**106,739**	102,684
		140,378	137,395
Current liabilities			
Trade and other payables	*10*	**33,155**	36,515
Taxation		**311**	82
		33,466	36,597
Net current assets		**106,912**	100,798
Total assets less current liabilities		**362,558**	365,991
Non-current liabilities			
Deferred tax liabilities		**4,462**	4,462
NET ASSETS		**358,096**	361,529

	30 September 2012 (Unaudited) *HK$'000*	31 March 2012 (Audited) *HK$'000*
CAPITAL AND RESERVES		
Issued capital	**28,205**	28,205
Reserves	**323,770**	327,361
Total capital and reserves attributable to shareholders of the Company	**351,975**	355,566
Non-controlling interests	**6,121**	5,963
TOTAL EQUITY	**358,096**	361,529

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 2012.

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 2012, except for the adoption of the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards and interpretations (the "HKFRSs") described below.

In the current interim period, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 April 2012.

HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets

The application of the above 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 new standards, amendments to standard and interpretations, which have been issued but are not effective for the financial year beginning on 1 April 2012.

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:

For six months ended 30 September 2012	**Mobile communications services (Unaudited)** *HK$'000*	**Retail sales and management services (Unaudited)** *HK$'000*	**Others (Unaudited)** *HK$'000*	**Group (Unaudited)** *HK$'000*
Segment turnover				
Revenue from external customers	**48,304**	**39,791**	**-**	**88,095**
Segment results	**2,937**	**1,866**	**(1,499)**	**3,304**
Interest income				**538**
Impairment of goodwill	-	**(6,622)**	-	**(6,622)**
Loss before taxation				**(2,780)**
Taxation				**(695)**
Loss for the period				**(3,475)**

For six months ended 30 September 2011 (Restated)	Mobile communications services (Unaudited) *HK$'000*	Retail sales and management services (Unaudited) *HK$'000*	Others (Unaudited) *HK$'000*	Group (Unaudited) *HK$'000*
Segment turnover				
Revenue from external customers	48,145	41,110	-	89,255
Segment results	(4,527)	2,895	(2,432)	(4,064)
Interest income				331
Loss before taxation				(3,733)
Taxation				(1,008)
Loss for the period				(4,741)

4. TURNOVER AND REVENUE

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

	Six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Sale of telecommunications equipment and products	**16,057**	8,173
Commission income	**1,164**	1,307
Mobile communications services income	**46,840**	46,797
Retail sales and management services income	**24,034**	32,978
Turnover	**88,095**	89,255
Rental income	**3,499**	3,560
Interest income	**538**	331
Others	**1,150**	2,620
Other revenue	**5,187**	6,511
Total revenue	**93,282**	95,766

5. LOSS BEFORE TAXATION

This is stated after charging (crediting):

	Six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Crediting:		
Rental income from investment properties less direct outgoings of HK$Nil *(2011: HK$Nil)*	**(3,499)**	(3,560)
Gain on disposal of prepaid premium for land lease and buildings	**-**	(2,609)
Charging:		
Staff costs (include directors' emoluments)	**24,742**	23,717
Cost of inventories	**19,886**	9,054
Depreciation	**938**	930
Amortisation on prepaid premium for land lease	**-**	4
Operating lease charges		
Telecommunications equipment	**734**	775
Premises	**5,066**	6,339
Allowance for doubtful trade and other receivables	**78**	9,641
Write-down of inventories	**-**	2
Loss on disposal of property, plant and equipment	**1**	89
Loss on disposal of investment property	**83**	-

6. **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 component of income tax charge is:

	Six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax	**695**	1,008
Total tax charge for the period	**695**	1,008

7. **DIVIDEND**

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2012 *(2011: Nil)*.

8. **LOSS PER SHARE**

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

	Six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
A. Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,820,500,000**	2,820,500,000
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**-**	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	**2,820,500,000**	2,820,500,000
B. Loss for operations:		
Loss attributable to shareholders of the Company (HK$'000)	**(3,633)**	(4,519)

Diluted loss per share for the six months ended 30 September 2012 and 2011 are the same as the basic loss per share because the conversion of potential ordinary shares would have anti-dilutive effect.

9. TRADE AND OTHER RECEIVABLES

	Note	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Trade receivables			
Trade receivables from third parties		**19,112**	18,436
Allowance for doubtful debts	*(a)*	**(464)**	(519)
		18,648	17,917
Other receivables			
Deposits, prepayments and other receivables		**16,885**	18,154
Allowance for doubtful debts	*(b)*	**(9,326)**	(9,326)
		7,559	8,828
		26,207	26,745

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 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
0 – 30 days	**9,929**	12,170
31 – 60 days	**4,284**	4,589
61 – 90 days	**3,494**	1,007
Over 90 days	**941**	151
	18,648	17,917

Notes:

(a) Allowance for doubtful debts – Trade receivables

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Balance at beginning of period/year	**519**	809
Increase in allowance	**78**	-
Amount recovered	**-**	(290)
Amount written off	**(133)**	-
	464	519

Included in the Group's trade receivables balance are debtors with a carrying amount of HK$5,719,000 *(31 March 2012: HK$2,555,000)* 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 2012: 30-120 days)*.

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

Notes: (continued)

(b) Allowance for doubtful debts – Other receivables

	30 September 2012 (Unaudited)	31 March 2012 (Audited)
	HK$'000	*HK$'000*
Balance at beginning of period/year	**9,326**	170
Increase in allowance	**-**	9,326
Amount written off	**-**	(170)
	9,326	9,326

10. **TRADE AND OTHER PAYABLES**

	30 September 2012 (Unaudited)	31 March 2012 (Audited)
	HK$'000	*HK$'000*
Trade payables	**5,530**	6,343
Other payables		
Accrued charges and other creditors	**18,892**	21,607
Advance subscription fees received	**5,681**	5,474
Deposits received	**3,052**	3,091
	27,625	30,172
	33,155	36,515

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

	30 September 2012 (Unaudited)	31 March 2012 (Audited)
	HK$'000	*HK$'000*
0 – 30 days	**3,519**	4,118
31 – 60 days	**1,468**	1,865
61 – 90 days	**212**	113
Over 90 days	**331**	247
	5,530	6,343

11. **COMPARATIVE FIGURES**

Conforming to current period's presentation, service income of mobile communications services segment of HK$1,850,000 that was included in other revenue has been reclassified under turnover. The revised presentation reflects more appropriately the nature of these items. These reclassifications have no effect on the reported financial position, results or cash flows of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Operations Review

The telecommunications landscape continues to evolve rapidly with the introduction of 4G LTE mobile services by all operators in Hong Kong and the increasing penetration of the use of mobile communications applications. These rapid changes in the industry coupled with the economic uncertainty from China slowdown had presented multiple challenges to the Group. During the period under review, the total turnover decreased 1.3% to HK$88,095,000 as compared to the restated turnover of HK$89,255,000 in the same period last year. The gross profit was ahead by HK$240,000 from the restated gross profit of HK$35,348,000 of last period to HK$35,588,000 as the Group continued its effort to improve its gross profit margin during the period. For the period under review, net loss after tax for the Group was HK$3,475,000 as compared to HK$4,741,000 in the last corresponding period. Excluding the impairment loss on goodwill of HK$6,622,000 for the Shanghai retail sales and management services (the "Shanghai Operation"), the Group actually recorded a net profit after tax of HK$3,147,000 for the period.

Mobile Communications Services

The mobile communications services segment comprised of a licensed Mobile Virtual Network Operator ("MVNO") business in Hong Kong which operates a mobile service under the brand "CM Mobile". Turnover for the segment, which accounted for 54.8% of the Group's total turnover, essentially flat at HK$48,304,000 as compared to the restated turnover of HK$48,145,000 in last period. Gross profit rose 5.8% to HK$18,843,000 from the restated gross profit of HK$17,802,000 in last period. The increase was largely due to the reclassification of certain revenues and gross profit to reflect the increasing importance of marketing services. During the period, MVNO business recorded an operating profit of HK$3,158,000 as compared to an operating loss of HK$4,379,000, which included a one-off allowance of HK$9,097,000 made for doubtful debt last period.

MVNO business continued to face difficulties in the extremely competitive market particularly in the data access services and mobile communications applications. First and foremost was the rapid growth of alternative means of communications via social networking applications had reduced the usage of the traditional voice and short message services. This was particularly apparent in the cross border communications when the tariffs were higher and customers were taking advantages of the flat rate unlimited data services offered for voice and messaging. Voice minutes usage declined by more than 9% compared to last period but was partially offset by the increase use of data service. Second, the launching of the popular smart phone devices in the market place continued to affect the decision to which services the customers subscribed to. The inability of MVNO to offer certain popular handset models and the heavy subsidies on some of these devices continued to negatively impact the MVNO performance during the period. As the customers continue to fundamentally change their usage habit, MVNO business has begun to shift its strategy to focus on expanding its cross border channel capability and data services to meet the growing demand for the international travelers. These new initiatives allowed MVNO business to expand into some new market segments and to maintain the total number of subscribers during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Mobile Communications Services (continued)

The mobile telecommunications landscape continues to evolve but the pace has quickened in the past few months with all mobile operators in Hong Kong launching the 4G LTE services. The adoption of the super high speed data services and the demand of the popular 4G LTE handsets by the consumers have reached an all-time high in such a small market like Hong Kong. The Group believes that to maintain competitive in its offerings, MVNO business must substantially invest in a new mobile network platform and additional value-added services. In consideration of such substantial investment coupled with continual price erosion and escalating operating expenses, the Group does not believe the future business outlook justifies the return on investment necessary to enhance the shareholders' value. After weighing its various strategic options and given the opportunity presented, the Group decided to divest the entire MVNO business after the period.

Retail Sales and Management Services

The Shanghai Operation continued to face the uncertainty in the changing market landscape and strategy deployed by the Shanghai telecommunications operator. Turnover for the Shanghai Operation during the period was HK$39,791,000, represented 45.2% of the group's total turnover and a decline of 3.2% from HK$41,110,000 in the last corresponding period. The gross profit dropped 4.5% to HK$16,744,000 as compared to HK$17,535,000 in the last corresponding period with a gross profit margin dropping 100 basis point to 42%. The decline was largely attributed to a higher portion of turnover from handset sales which commanded a lower gross margin and the reduction in the number of retail stores managed from 27 last period to 24 by end of September 2012 as a result of shop relocation and changes in use of lands requested by Shanghai Government. During the period, the Shanghai Operation reported a net profit after tax of HK$1,620,000 as compared to HK$2,253,000 from the same period last year. The decline in net profit led to the decision by the Group to make an immediate impairment of goodwill in this period.

The highly penetrated Shanghai telecommunications market had forced the Shanghai telecommunications operator to adjust its marketing strategy accordingly to support the acquisition of 3G subscribers. During the period, the post-paid handset bundled services was discontinued and the effort had been shifted instead to all prepaid bundle services which required customers to pay a substantial upfront fee. This will greatly impact the overall subscriber acquisition and thus income derived by the Shanghai Operation. In response to the changes, the Shanghai Operation is reviewing its operation cost to align itself to the slowdown and impact of the changes. It is also working with the Shanghai telecommunications operator to establish new shops and restructure the overall management services in order to broaden the 3G products and services that may be offered to the customers through the retail network.

Prospects

The slowdown in China economy and the implementation of Quantitative Easing post significant risk to the Group's business operating plan. The telecommunications business operates in such a highly competitive environment that always results in price concession. This together with the escalating operating costs and the need for capital expenditure pose high threats to the profitability and viability of the existing business in the long term.

Despite the difficult market environment and competitive landscape, the Group believes the scale of the market and the increasing relax in regulatory framework in China still unveil a potential opportunity that could not be ignored. The convergence across telecommunications, internet and television broadcasting networks in China is still in its infancy and would present various investment opportunities that the Group could participate in. The Group will continue to take the appropriate steps to align its investment with objectives and review its business portfolio where it is appropriate to increase its shareholder value.

Lapse of Placing Agreement

On 24 May 2012, the Company entered into a placing agreement with a placing agent for placing of a maximum of 564,100,000 new shares of the Company, representing 20% of the Company's existing issued share capital and approximately 16.67% of the Company's then issued share capital as enlarged by the placing, on a best effort basis, to not fewer than six independent placees at the placing price of HK$0.10 per share. Such placing price represented a premium of approximately 9.89% to the closing price of HK$0.091 per share as quoted on the Stock Exchange on the date of the agreement. The maximum aggregate nominal value of the placing shares under the placing would be HK$5,641,000. The maximum net proceeds raised upon completion of the placing would be approximately HK$0.097 per placing share and HK$54,890,000 in aggregate. The placing was conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of, and permission to deal in, the placing shares.

Due to the uncertainties of the financial market, it was informed by the placing agent that the placing had not been successful on or before 31 October 2012, being the expiry date of the placing period for the fulfillment of the conditions in the placing agreement, and accordingly the placing agreement had lapsed and become null and void and the placing would not proceed. The Directors were of the view that the lapse of the Placing Agreement has no material adverse impact on the operation and financial position of the Company as a whole. Details of the placing and the lapse of placing agreement were disclosed in the announcements dated 24 May 2012 and 31 October 2012 respectively.

Disposal of Property

The Group completed the disposal of a premise with fair value of HK$2,800,000 as at 31 March 2012 at a price of HK$2,750,000 in September 2012. Such disposal generated a loss of HK$83,000 and a net cash inflow of HK$2,717,000 during the period.

Liquidity and Financial Resources

The Group has consistently maintained sufficient working capital. As at 30 September 2012, the Group had current assets of HK$140,378,000 *(31 March 2012: HK$137,395,000),* including cash and bank balances and time deposits in an aggregate of HK$106,739,000 *(31 March 2012: HK$102,684,000)*. The Group's current liabilities as at 30 September 2012 were HK$33,466,000 *(2011: HK$36,597,000)*. The liquidity ratio of the Group as at 30 September 2012 remained healthy at 4.19 times *(31 March 2012: 3.75 times).*

As at 30 September 2012, the Group has no outstanding loans or borrowings from banks or financial institutions *(31 March 2012: Nil)*. The Group has no gearing as at 30 September 2012 *(31 March 2012: Nil).*

Share Capital

As at 30 September 2012, the Company had 2,820,500,000 shares in issue with total shareholders' fund of the Group amounting to approximately HK$351,975,000 *(31 March 2012: HK$355,566,000).*

Financial Guarantees

As at 30 September 2012, the Group did not have any contingent liabilities *(31 March 2012: Nil).*

Charge on Assets

As at 30 September 2012, the Group did not have any charge on its assets *(31 March 2012: 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.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Employees and Remuneration Policies

As at 30 September 2012, the Group had 349 full-time staff. Total staff costs (including directors' emoluments) for the period amounted to approximately HK$24,742,000 *(2011: HK$23,717,000)*. 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 2012, 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. The Group's interim results for the six months ended 30 September 2012 have been reviewed by the Audit Committee and agreed by the Group's external auditor.

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 2012.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has applied the principles in and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (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 5 September 2012 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.

SUBSEQUENT EVENT

Proposed Disposal of Mobile Communications Services

On 27 November 2012, the Group entered into a conditional sale and purchase agreement with an independent third party, pursuant to which ChinaMotion InfoServices Limited ("CMInfo"), an indirect non wholly-owned subsidiary of the Company, and China Motion Holdings Limited ("CMH", together with CMInfo collectively the "Seller"), a direct wholly-owned subsidiary of the Company, conditionally agreed to sell and the purchaser conditionally agreed to purchase (i) the existing issued shares of China Motion Telecom (HK) Limited ("CMTHK"), an indirect non wholly-owned subsidiary of the Company, which is principally engaged in the provision of mobile communications services, (the "CMTHK Shares") and (ii) the capitalised shares of CMTHK, being the shares of CMTHK to be issued in respect of the capitalisation of the shareholders' loans owing by CMTHK to the Seller at an issue price of HK$1 per capitalised share at the closing (the "CMTHK Capitalised Shares") for the consideration of HK$45,000,000 (subject to adjustments) under the terms and conditions as set out in the said agreement (the "Disposal"). Both the CMTHK Shares and the CMTHK Capitalised Shares would represent 100% of the issued share capital of CMTHK at the closing. Closing of the Disposal shall take place as soon as practicable after the fulfillment or waiver (as the case may be) of the conditions precedent to the closing, but in no event later than 31 January 2013.

The Disposal which constituted a major transaction for the Company under the Listing Rules was subject to the approval of majority shareholders of the Company. Marvel Bonus Holdings Limited which was beneficially interested in 1,555,000,000 shares, representing approximately 55.13% of the issued share capital of the Company, had given a written shareholder's approval to the Disposal and therefore no shareholders' meeting would be held to approve the Disposal pursuant to the Listing Rules. A circular containing details of the Disposal, financial information of the Group and other information required under the Listing Rules would be despatched to the shareholders on or before 18 December 2012.

Details of the Disposal were disclosed in the announcement dated 27 November 2012.

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 2012 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, 27 November 2012

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

* *for identification purpose only*