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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)

DISCLOSEABLE TRANSACTION ADDITIONAL INFORMATION

Reference is made to the Company's announcement dated 26 July 2011 ("Announcement") relating to, among others, the Acquisition. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board would like to provide additional information in relation to the consideration for the Acquisition. In arriving at the consideration, the Board has considered, among others, the following matters:

1. the economic outlook of Hong Kong;
2. the market trends of the advertising industry in Hong Kong;
3. financial and other business information of the Target; and
4. development plans and business prospects of the Target.

The Target focuses on advertisements in lifts and outer walls of different types of buildings. The Target obtains the rights to use advertising spaces in buildings' lifts and outer walls by entering into contracts directly with the relevant property management company. Currently the Target has secured exclusive rights for lift spaces in 18 residential buildings, 8 commercial buildings and 3 industrial buildings located in Hong Kong Island, Kowloon and the New Territories and the outer wall of an industrial building located in the New Territories. The Target has appointed an advertising agent for procuring customers, production and maintenance of the advertisements and customer services. The Target and advertising agent will share the income from customers. It is expected that given the continuing growth in Hong Kong's economy and advertising industry, there will be a huge potential for such advertising niche to be exploited by the Target due to the high density of multi-storey buildings in Hong Kong.

In addition, the Company has also made reference to a preliminary valuation report by an independent valuer on the Target adopting the market-based approach which opined that the value for 100% of the Target is approximately HK\$412 million.

* *For identification purposes only*

In view of the above, the Board considers that the consideration of the Acquisition is fair and reasonable and in the interest of the Company and Shareholders as a whole.

By the order of the Board of
CHINA RAILSMEDIA CORPORATION LIMITED
Hui Chi Yung
Chairman

Hong Kong, 28 July 2011

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