CLEAR MEDIA LIMITED
白馬戶外媒體有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 100)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

- The Group's total turnover increased by 3.9% to HK$889.6 million. The depreciation of the RMB reduced revenue growth by approximately 5.2%.
- EBITDA increased by 3.9% to HK$356.7 million. The depreciation of the RMB reduced EBITDA growth by approximately 5.2%.
- EBIT increased by 2.0% to HK$169.1 million. The depreciation of the RMB reduced EBIT growth by approximately 5.3%.
- Net profit[1] increased by 7.0% to HK$108.0 million. The depreciation of the RMB reduced net profit growth by approximately 5.6%.
- Basic earnings per share increased by 6.5% to HK19.95 cents.
- The Directors proposed a special dividend of HK37 cents per share.

The Board of Directors (the "**Board**") of Clear Media Limited ("**Clear Media**" or the "**Company**") and its subsidiaries (Clear Media and its subsidiaries are hereafter collectively referred to as the "**Group**") are pleased to announce that the unaudited interim results of the Group for the six months ended 30 June 2016, together with the comparative figures for the corresponding period in the previous financial year, are as follows:

[1] Net profit attributable to shareholders of the Company

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

	Notes	For the six months ended 30 June 2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Revenue	3	**889,568**	855,794
Cost of sales	5	**(524,915)**	(507,353)
Gross profit		**364,653**	348,441
Other income	3	**2,638**	7,156
Selling and distribution expenses		**(97,610)**	(90,148)
Administrative expenses		**(97,493)**	(90,908)
Other expenses		**(417)**	(1,520)
Finance costs	4	**–**	(801)
PROFIT BEFORE TAX	5	**171,771**	172,220
Income tax expenses	6	**(48,020)**	(48,617)
PROFIT FOR THE PERIOD		**123,751**	123,603
ATTRIBUTABLE TO:			
Owners of the parent		**108,044**	100,929
Non-controlling interests		**15,707**	22,674
		123,751	123,603
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	7	**HK19.95 cents**	HK18.73 cents
Diluted	7	**HK19.95 cents**	HK18.66 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**123,751**	123,603
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(60,595)**	(16,806)
Other comprehensive loss for the period, net of tax	**(60,595)**	(16,806)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**63,156**	106,797
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**46,357**	84,136
Non-controlling interests	**16,799**	22,661
	63,156	106,797

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	**30 June 2016 (Unaudited) *HK$'000***	31 December 2015 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**59,670**	60,767
Concession rights	*10*	**1,835,793**	1,857,462
Long-term prepayments, deposits and other receivables	*11*	**93,541**	88,760
Total non-current assets		**1,989,004**	2,006,989
CURRENT ASSETS			
Trade receivables	*12*	**733,861**	687,157
Prepayments, deposits and other receivables	*13*	**173,340**	143,029
Due from related parties	*14*	**132,809**	106,754
Pledged deposits and restricted cash	*15*	**1,499**	1,530
Cash and cash equivalents	*15*	**622,088**	689,322
Total current assets		**1,663,597**	1,627,792
CURRENT LIABILITIES			
Other payables and accruals		**664,493**	645,741
Deferred income		**3,252**	3,581
Tax payable		**71,739**	78,108
Dividend payable		**86,672**	–
Total current liabilities		**826,156**	727,430
NET CURRENT ASSETS		**837,441**	900,362
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,826,445**	2,907,351
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**80,757**	104,909
Total non-current liabilities		**80,757**	104,909
Net assets		**2,745,688**	2,802,442
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**54,170**	54,170
Other reserves		**2,595,178**	2,633,493
		2,649,348	2,687,663
Non-controlling interests		**96,340**	114,779
Total equity		**2,745,688**	2,802,442

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to owners of the parent								
	Issued capital	**Share premium account**	**Share option reserve**	**Contributed surplus**	**Exchange fluctuation reserve**	**Retained Profits**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2015	53,740	829,617	7,685	191,159	660,504	1,173,532	2,916,237	81,391	2,997,628
Profit for the period	–	–	–	–	–	100,929	100,929	22,674	123,603
Other comprehensive loss	–	–	–	–	(16,793)	–	(16,793)	(13)	(16,806)
Total comprehensive income/(loss) for the period	–	–	–	–	(16,793)	100,929	84,136	22,661	106,797
Share options exercised	430	17,689	(6,375)	–	–	–	11,744	–	11,744
Equity-settled share option arrangements	–	–	219	–	–	–	219	–	219
Dividends payable to a non-controlling shareholder	–	–	–	–	–	–	–	(5,682)	(5,682)
Final 2014 dividend declared	–	–	–	–	–	(81,255)	(81,255)	–	(81,255)
Special dividend declared	–	–	–	(258,312)	–	(45,040)	(303,352)	–	(303,352)
At 30 June 2015 (unaudited)	54,170	847,306	1,529	(67,153)	643,711	1,148,166	2,627,729	98,370	2,726,099
As at 1 January 2016	54,170	847,306	3,529	(67,153)	522,052	1,327,759	2,687,663	114,779	2,802,442
Profit for the period	–	–	–	–	–	108,044	108,044	15,707	123,751
Other comprehensive income/(loss)	–	–	–	–	(61,687)	–	(61,687)	1,092	(60,595)
Total comprehensive income/ (loss) for the period	–	–	–	–	(61,687)	108,044	46,357	16,799	63,156
Equity-settled share option arrangements	–	–	2,000	–	–	–	2,000	–	2,000
Dividends payable to a non-controlling shareholder	–	–	–	–	–	–	–	(35,238)	(35,238)
Final 2015 dividend payable	–	–	–	(31,613)	–	(55,059)	(86,672)	–	(86,672)
At 30 June 2016 (unaudited)	54,170	847,306	5,529	(98,766)	460,365	1,380,744	2,649,348	96,340	2,745,688

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2016

	Notes	**For the six months ended 30 June 2016 (Unaudited) HK$'000**	2015 (Unaudited) *HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**171,771**	172,220
Adjustments for:			
Write-down of concession rights	*5*	**–**	1,088
Loss on disposal of concession rights	*5*	**440**	417
Impairment losses of trade receivables recognised	*5*	**10,779**	7,496
(Gain)/loss on disposal of items of property, plant and equipment	*5*	**(23)**	15
Depreciation of items of property, plant and equipment		**8,442**	5,179
Recognition of prepaid lease payments	*5*	**1,178**	1,398
Amortisation of concession rights	*5*	**179,133**	172,311
Foreign exchange losses, net		**–**	553
Other finance costs	*5*	**–**	248
Cash-settled share-based payments	*5*	**–**	6,278
Equity-settled share option expense	*3*	**2,000**	219
Interest income		**(2,638)**	(7,156)
		371,082	360,266
Increase in long-term prepayments, deposits and other receivables		**(7,927)**	(3,938)
Increase in trade receivables		**(72,721)**	(81,579)
Increase in prepayments, deposits and other receivables		**(32,329)**	(40,351)
Increase in amounts due from related parties		**(28,422)**	(78,364)
(Decrease)/increase in other payables and accruals		**(10,117)**	3,025
Decrease in deferred income		**(250)**	(2,028)
Cash generated from operations		**219,316**	157,031
Income taxes paid		**(75,318)**	(16,644)
Net cash flows from operating activities		**143,998**	140,387

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment, excluding construction in progress	**(6,414)**	(24,489)
Proceeds from disposal of items of property, plant and equipment	**23**	4
Proceeds from disposal of concession rights	**174**	68
Purchase of concession rights	**(195,582)**	(271,133)
Interest received	**2,897**	294
Net cash flows used in investing activities	**(198,902)**	(295,256)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**–**	11,744
Dividends paid to shareholders	**–**	(384,607)
Net cash flows used in financing activities	**–**	(372,863)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(54,904)**	(527,732)
Cash and cash equivalents at beginning of period	**689,322**	1,049,604
Effect of foreign exchange rate changes,net	**(12,330)**	(1,332)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**622,088**	520,540
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**622,088**	520,540

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2016

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

The interim condensed consolidated financial statements for the six months ended 30 June 2016 are unaudited, but have been reviewed by Ernst &Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Ernst & Young's unmodified review report is included in the interim report to be sent to shareholders. The interim results have also been reviewed by the Group's Audit Committee.

Impact of new and revised Hong Kong Financial Reporting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of the new or revised standards, interpretation and amendments as of 1 January 2016, noted below:

Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

The adoption of the above new or revised standards, interpretation and amendments has had no material financial effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. SEGMENT INFORMATION

The outdoor advertising business is the only major reportable operating segment of the Group which comprises the display of advertisements on street furniture. Accordingly, no further business segment information is provided.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributable to the segments based on the location of the assets. As the Group's major operations and markets are all located in the PRC, no further geographical segment information is provided.

3. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Rental from outdoor advertising spaces	**889,568**	855,794
Other income		
Interest income	**2,638**	7,156

4. FINANCE COSTS

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other finance costs	**–**	801

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of services provided	**133,091**	143,814
Operating lease rentals on bus shelters	**210,184**	188,768
Cost of services in a bus shelter joint-operation arrangement*	**2,507**	2,460
Amortisation of concession rights	**179,133**	172,311
Cost of sales	**524,915**	507,353
Impairment provision against trade receivables	**10,779**	7,496
Auditors' remuneration	**1,482**	1,507
Depreciation of property, plant and equipment	**8,442**	5,179
Write-down of concession rights	**-**	1,088
Loss on disposal of concession rights	**440**	417
Loss/(gain) on disposal of items of property, plant and equipment	**(23)**	15
Operating lease rentals on buildings	**23,270**	13,804
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	**91,629**	89,104
Cash-settled share-based payments	**–**	6,278
Equity-settled share option expenses	**2,000**	219
Pension scheme contributions	**10,130**	9,833
	103,759	105,434
Foreign exchange losses, net	**–**	553
Interest income	**(2,638)**	(7,156)

* The Group operated certain bus shelters jointly with an independent third party under a profit sharing arrangement. The Group has the primary responsibility for providing services to the customers and acts as a principal in the arrangement. The Group recognised revenue on a gross basis. The cost of services represented the costs paid by the Group under this arrangement.

6. TAX

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong profits tax	**–**	–
Current — PRC corporate income tax	**56,314**	54,659
Deferred tax	**(8,294)**	(6,042)
Total tax charge for the period	**48,020**	48,617

Hong Kong profits tax has not been provided as the Group has no assessable profits arising in Hong Kong during the period (six months ended 30 June 2015: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

According to the Enterprise Income Tax Law of the PRC effective on 1 January 2008, Hainan White Horse Advertising Media Investment Company Limited (the "WHA Joint Venture"), a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, was subject to a corporate income tax of 25% (2015: 25%) for the head office and its branches on its assessable profits arising in the PRC for the year 2016.

In accordance with the Enterprise Income Tax Law of the PRC effective on 1 January 2008, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable to withholding taxes on dividends distributed by WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, in respect of earnings generated from 1 January 2008. As at 30 June 2016, the Group recognized a deferred tax liability of HK$5,965,000 (31 December 2015: HK$20,703,000) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit attributable to ordinary equity holders of the parent of HK$108,044,000 (six months ended 30 June 2015: HK$100,929,000) and the weighted average number of 541,700,500 (six months ended 30 June 2015: 538,928,080) ordinary shares in issue during the period.

The calculation of the diluted earnings per share for the period is based on the profit attributable to ordinary equity holders of the parent of HK$108,044,000 (six months ended 30 June 2015: HK$100,929,000). The weighted average number of ordinary shares used in the calculation is the 541,700,500 (six months ended 30 June 2015: 538,928,080) ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of nil (six months ended 30 June 2015: 1,900,301) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

8. DIVIDEND

The Board of Directors has recommended to pay a special dividend of HK37 cents per share which is equivalent to HK$200,429,000 based on 541,700,500 outstanding shares as of the date of this announcement. Subject to the approval by the shareholders at the special general meeting on 7 September 2016, the special dividend will be payable on or around 29 September 2016 (at the earliest) to the shareholders registered on the Register of Members on 15 September 2016.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment at a cost of HK$5,103,000 (six months ended 30 June 2015: HK$2,738,000), and incurred construction in progress at a cost of HK$14,152,000 (six months ended 30 June 2015: HK$25,239,000).

Property, plant and equipment with a net book value of nil were disposed of by the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: HK$19,000), resulting in a net gain on disposal of HK$23,000 (six months ended 30 June 2015: loss on disposal of HK$15,000).

10. CONCESSION RIGHTS

During the six months ended 30 June 2016, the Group had an addition of concession rights at a cost of HK$199,876,000 (six months ended 30 June 2015: HK$242,908,000), including concession rights transferred from construction in progress of HK$10,576,000 (six months ended 30 June 2015: HK$987,000).

Concession rights with a net book value of HK$614,000 were disposed of/written down by the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: HK$1,573,000), resulting in a net loss on disposal of HK$440,000 (six months ended 30 June 2015: HK$1,505,000).

11. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments amounting to RMB49,452,000 (equivalent to HK$57,716,000) (31 December 2015: RMB45,809,000 (equivalent to HK$54,678,000)) have been placed with certain independent third parties in connection with the extension and renewal of certain of the Group's bus shelter concession rights in the PRC.

Long-term prepayment as at 30 June 2016 also included a deposit amounting to RMB6,300,000 (equivalent to HK$7,353,000) (31 December 2015: RMB3,150,000 (equivalent to HK$3,760,000)) made to an independent third party for the purchase of bus shelter concession rights.

The balance as at 30 June 2016 also included a non-current portion of a prepaid bus shelter lease payment amounting to HK$6,473,000 (31 December 2015: HK$7,824,000) and a long-term rental deposit of HK$21,999,000 (31 December 2015: HK$22,498,000).

12. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where advanced payments are normally required. The credit period is generally 90 days extending up to 180 days for major customers. Overdue balances are reviewed regularly by senior management. The Group's trade receivables relate to a diverse number of customers and are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date, is as follows:

	Group	
	30 June 2016	31 December 2015
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Current to 90 days	**396,672**	345,473
91 days to 180 days	**220,920**	237,718
181 days to 360 days	**123,457**	112,647
Over 360 days	**28,279**	22,737
	769,328	718,575
Less: Provision for impairment of trade receivables	**(35,467)**	(31,418)
Total trade receivables, net	**733,861**	687,157

The movements in provision for impairment of trade receivables are as follows:

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
At 1 January	**31,418**	21,218
Impairment losses provided	**10,779**	7,496
Amount written off as uncollectible	**(6,730)**	(1,717)
At 30 June	**35,467**	26,997

The above provision for impairment of trade receivables is a provision to cover balances for which the Group may not be able to recover full amounts from the customers. The Group does not hold any collateral or other credit enhancements over these balances.

The aging analysis of the trade receivables that are not considered to be impaired is as follows:

	30 June 2016	31 December 2015
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Neither past due nor impaired	**617,592**	583,191
Less than 3 months past due	**79,596**	83,892
Over 3 months past due	**36,673**	20,074
	733,861	687,157

Receivables that were neither past due nor impaired relate to a diverse number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2016 included a receivable from Hainan White Horse Advertising Co., Ltd. ("**Hainan White Horse**"), the noncontrolling shareholder of WHA Joint Venture, amounting to HK$116,325,000 (31 December 2015: HK$95,414,000), which is unsecured, interest-free and has no fixed terms of repayment.

14. DUE FROM A RELATED PARTY

	30 June 2016 (Unaudited) ***HK$'000***	31 December 2015 (Audited) *HK$'000*
Guangdong White Horse Advertising Company Limited ("**GWH**")	**–**	2,064
Hainan White Horse Media Advertising Company Limited ("**WHM**")	**118,890**	104,690
White Horse (Shanghai) Investment Company Limited ("**WSI**")	**13,919**	–
	132,809	106,754

The balances with the related parties are unsecured, interest-free and repayable on demand.

An ageing analysis of the amounts due from GWH, WHM and WSI as at the end of the reporting period, based on the revenue recognition date, is as follows:

	30 June 2016 (Unaudited) ***HK$'000***	31 December 2015 (Audited) *HK$'000*
Current to 90 days	**79,340**	83,642
91 days to 180 days	**53,085**	21,511
181 days to 360 days	**384**	1,601
Over 360 days	**–**	–
	132,809	106,754

15. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

As at 30 June 2016, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("**RMB**") and in Hong Kong dollars ("**HK$**") amounted to HK$430,842,000 (31 December 2015: HK$484,163,000) and HK$192,745,000 (31 December 2015: HK$206,689,000), respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

All of the Group's bank balances and pledged deposits are placed with registered banking institutions in the PRC and Hong Kong. The Group's policy is to spread bank balance (including pledged deposits) among various creditworthy banks with no recent history of default. As at 30 June 2016, the Group maintained less than 20% of the Group's total bank balances in any one bank.

As at 30 June 2016, a bank balance of RMB1,284,000 (equivalent to approximately HK$1,499,000) (31 December 2015: RMB1,282,000 (equivalent to approximately HK$1,530,000)) was frozen by one of the financial institutions which has commenced legal proceedings against the Company's subsidiary as disclosed in the "Contingent Liabilities" section of the interim results announcement. The directors of the Company are of the view that the dispute will not have any material impact on the condensed consolidated financial statements of the Group.

16. SHARE CAPITAL

	30 June 2016 (Unaudited)	31 December 2015 (Audited)
	HK$'000	*HK$'000*
Shares		
Issued and fully paid:		
541,700,500 ordinary shares of HK$0.10 each (31 December 2015: 541,700,500)	**54,170**	54,170

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the first half of 2016, economic growth in Mainland China continued to be moderate while the operating environment remained challenging and volatile, with many last minute changes and cancellation of orders.

There was a considerable increase in demand from clients in the e-commerce and IT sectors. The revenue contribution from the e-commerce sector increased to 28% (1H2015: 13%) and that from the IT sector increased to 17% (1H2015: 12%). In particular, major clients in the e-commerce section were active with their advertising campaigns very early this year.

In general, the advertisers from traditional industries appeared to be cautious with their advertising spend.

Operation Overview

Bus Shelter Advertising Business

As of 30 June 2016, Clear Media operated the most extensive standardized bus shelter advertising network in Mainland China, with a total of more than 47,000 panels. (1H2015: 44,000 panels) covering 26 cities. Our bus shelter advertising revenue, net of value added tax, increased by 3.9% to HK$889.6 million. The depreciation of RMB reduced revenue growth by approximately 5.2%.

The average number of bus shelter panels increased by 7.6% year on year during the six-month period.

The average selling price before value added tax ("ASP") decreased modestly by 6.6% year on year during the six-month period, primarily due to incentives offered to retain customers' spending with us. The overall occupancy rate increase to 61.3% (1H2015: 59.2%). The revenue growth was primarily driven by the increase in our average number of panels in operation during the period under review.

Key Cities

For the six months ended 30 June 2016, the revenue from Guangzhou, Shanghai and Beijing increased by 10.7% to HK$542.1 million (1H2015:HK$489.7 million). Among the three cities, revenue performance was led by Shanghai, followed by Beijing and then Guangzhou.

Shanghai

The revenue from Shanghai increased by 28.9% to HK$134.5 million (1H2015: HK$104.3 million) due to a 9.5% increase in the average number of bus shelter panels and a higher occupancy rate at 58.1% (1H2015: 45.3%). The ASP decreased by 8.1%.

Beijing

The revenue from Beijing increased by 10.5% to HK$248.8 million (1H2015: HK$225.1 million) due to a 2.5% increase in the average number of bus shelter panels and a higher occupancy rate at 74.4% (1H2015: 66.2%). The ASP decreased by 4.0%.

Guangzhou

The revenue from Guangzhou decreased by 0.9% to HK$158.9 million (1H2015: HK$160.4 million) due to the 5.5% decrease in ASP and the decrease in occupancy rate to 60.1% (1H2015: 64.5%). The average number of bus shelter panels increased by 12.6%.

Mid-tier Cities

The revenue from all mid-tier cities decreased by 4.0% to HK$393.8 million (1H2015: HK$410.0 million) due to the 10.1% decrease in ASP and the decrease in occupancy rate to 58.4% (1H2015: 58.9%). The average number of bus shelter panels increased by 7.7%.

Among the mid-tier cities where the Company operates, Shenzhen, Shenyang and Jinan performed particularly well during the period with double-digit growth in revenue.

Digital

As of 30 June 2016, we operated a total of 257 digital panels in Nanjing (1H2015: 209). Total sales generated from the digital operation amounted to HK$6.7 million (1H2015: 7.0 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover increased by 3.9% to HK$889.6 million during the first half of 2016. The depreciation of RMB reduced revenue growth by approximately 5.2%.

Other Income

Other income decreased from HK$7.2 million in the prior period to HK$2.6 million mainly due to lower bank fixed deposits interest income.

Expenses

During the six months ended 30 June 2016, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, increased by 3.2% to HK$345.8 million (1H2015: HK$335.0 million).

The rental costs for our core bus shelter advertising business increased by 11.5% during the current six-month period. The increase was mainly driven by the increase in the number of bus shelter panels. In addition, in 1H 2015 we have reversed certain rent provisions amounting to HK$19.8 million made in the normal course of business which was subject to negotiations on an ongoing basis with the relevant authority in 1H 2015. The reversal of this provision in 1H 2016 was not as significant as compared to the same period last year.

Electricity cost decreased by 10.2% mainly due to the conversion of fluorescence light tubes to LED lighting structures which resulted in lower electricity consumption and cost savings and the impact of the depreciation of the RMB against the HK Dollar during the period. The impact is partially offset by the increase in the number of bus shelter panels.

Cleaning and maintenance costs decreased by 8.5% mainly due to lower repair costs incurred, the impact of the depreciation of the RMB against the HK Dollar during the period and an adjustment to the ratio of cleaning and maintenance expenses subsidized by the Hainan White Horse Advertising Co., Ltd., (the "**Hainan White Horse**") the non-controlling shareholder of Hainan White Horse Advertising Media Investment Company Limited (the "**WHA Joint Venture**"). This cleaning and maintenance subsidy arrangement was made in 2001 as part of the pre-listing reorganization exercise and is based on a certain percentage of the cleaning and maintenance cost. The ratio is negotiated on a yearly basis, with an aim to match the subsidy payable by Hainan White Horse to the cleaning and maintenance entity against the dividend attributable to this non-controlling shareholder.

Total selling, general and administrative expenses, excluding depreciation and amortization, increased by 6.1% to HK$186.7 million for the six months ended 30 June 2016 (1H2015: HK$175.9 million) mainly due to salary increase, equity-settled share option expenses, office rental expenses and higher provision of bad debt but offset by lower provision for cash settled share-based payments as the scheme has expired in 2015.

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") increased by 3.9% to HK$356.7 million (1H2015: HK$343.4 million) mainly due to higher turnover of the core bus shelter advertising business in the current period. EBITDA margin remained at 40.1%. The depreciation of the RMB reduced EBITDA growth by approximately 5.2%.

A reconciliation of the Group's profit before tax to EBITDA is as follows:

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit before tax	**171,771**	172,220
Add:		
— Finance costs	**–**	801
— Depreciation of property, plant and equipment	**8,442**	5,179
— Amortization of concession rights	**179,133**	172,312
Subtotal	**187,575**	178,292
Less:		
— Interest income	**(2,638)**	(7,156)
EBITDA	**356,708**	343,356

EBIT

The Group's earnings before interest and tax ("**EBIT**") increased by 2.0% to HK$169.1 million for the current six-month period from HK$165.9 million in the same period last year. The depreciation of the RMB reduced EBIT growth by approximately 5.3%.

Finance Costs

During the period under review, the Group carried no debt, hence the finance costs incurred were minimal (1H2015: HK$0.8 million).

Taxation

According to the PRC Enterprise Income Tax Law effective 1 January 2008, the WHA Joint Venture, an indirect majority-owned subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, was subject to a corporate income tax of 25% (2015: 25%) on its assessable profits arising in the PRC for the year 2016.

Further, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable to withholding taxes on dividends distributed by the WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC.

During the period, taxes provided for by the Group slightly decreased to HK$48.0 million for the six months ended 30 June 2016 from HK$48.6 million for the same period last year mainly due to the slight decrease in assessable profits of the core bus shelter advertising business during the period.

As at 30 June 2016, the Group recognized a deferred tax liability of HK$6.0 million (31 December 2015: HK$20.7 million) in respect of the withholding tax on future dividend distribution by WHA Joint Venture. The decrease in the balance is due to declaration of dividend from WHA Joint Venture to the Company during the period.

Net Profit

Net profit attributable to owners of the parent increased by 7.0% to HK$108.0 million (1H2015: HK$100.9 million) for the six months ended 30 June 2016, while the net profit margin increased to 12.1% (1H2015: 11.8%). The depreciation of the RMB reduce net profit growth by approximately 5.6%.

Net profit attributable to non-controlling interests decreased by 30.7% to HK$15.7 million (1H 2015: HK$22.7 million). In 1H 2015, certain realised exchange gains were recognized by our China subsidiary, WHA Joint Venture and this has resulted in higher net profit attributable to the non-controlling interest. There were no such exchange gain recognized in 1H 2016.

Cashflow

Net cash flows from operating activities for the current period increased to HK$144.0 million (1H2015: HK$140.4 million). The increase was mainly due to a lower level of increase in both trade receivable balances and amounts due from related parties as compared with prior period and the effect of working capital changes, partially offset by the higher income taxes paid during the period.

Net cash flows used in investing activities during the six months ended 30 June 2016 decreased to HK$198.9 million (1H2015: HK$295.3 million) mainly due to lower payments for prior year capital expenditure projects and lower level of capital expenditure in the first half of the year.

As there were no external financing needs, there was no cash flow from financing activities.

Free cash flow, defined as EBITDA (before losses on disposal and write off of concession rights and other assets and equity-settled share option expenses) less cash outflow on capital expenditure, less income tax and net interest expense, increased to HK$111.7 million for the current six-month period, compared to HK$7.2 million in the same period last year. The increase was mainly due to higher EBITDA generated in the current period, and lower level of capital expenditure than the prior period.

Trade Receivables

The Group's accounts receivable balance due from third parties increased by 6.8% to HK$733.9 million as at 30 June 2016 from HK$687.2 million as at 31 December 2015. The increase was mainly from the outstanding balances in the current to 90 days category which increased by HK$51.2 million following the higher sales during the current period. The outstanding balances in the 181 days to 360 days category and the over 360 days category increased by HK$10.8 million and HK$5.5 million, respectively due to slower payments from certain major customers. None of the accounts receivable was due from connected persons, as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Accounts receivable from GWH, WHM and WSI are disclosed separately and discussed below.

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period is generally 90 days, extending up to 180 days for major customers. The Group maintains control over its outstanding receivables. Overdue balances are reviewed regularly and processes are in place to ensure balances are collected. Accounts receivable relate to a large number of different customers.

The average accounts receivable outstanding days, on a time-weighted basis, improved to 120 days for the current six-month period from 128 days for the same period last year. As at 30 June 2016, the provision for impairment of accounts receivables increased to HK$35.5 million from HK$31.4 million as at 31 December 2015 due to slower collection from customers with balances in the over 360 days category during the period. Based on the customers' past payment history and settlement subsequent to the period end, the Company's management is of the view that the provision level is adequate as of 30 June 2016. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is appropriate and prudent.

Due from Related Parties

As at 30 June 2016, the amount due from GWH, WHM and WSI increased to HK$132.8 million from HK$106.8 million as at 31 December 2015 mainly due to slower payment from customers represented by WHM and WSI during the current period. The main bulk of the increase was in the 90 to 180 days category. The average balance due from related parties outstanding days, on a time-weighted basis, improved to 98 days for the current six-month period from 106 days for the same period last year. We will continue to work closely with GWH, WHM and WSI to expedite collection in the second half of the year.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2016 increased to HK$173.3 million from HK$143.0 million as at 31 December 2015.

The balance as at 30 June 2016 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to HK$116.3 million (31 December 2015: HK$95.4 million), which are unsecured, interest-free and have no fixed terms of repayment.

The increase in prepayments, deposits and other receivables was mainly due to the increase of the receivable from Hainan White Horse during the period for the cleaning and maintenance expenses subsidized as disclosed in the "Expenses" section and the increase of bus shelter rental prepayments, partially offset by the impact of the depreciation of the RMB against the HK Dollar during the period.

Long-term Prepayments, Deposits and Other Receivables

The Group's total long-term prepayments, deposits and other receivables as at 30 June 2016 increased to HK$93.5 million from HK$88.8 million as at 31 December 2015.

The increase in long-term prepayments, deposits and other receivables was mainly due to a deposit amounting to HK$3.7 million made to an independent third party for the acquisition of bus shelters during the period, and a long-term deposit amounting to HK$3.7 million placed with an independent third party in connection with the extension of certain of the Group's bus shelter concession rights in the PRC, partially offset by impact of the depreciation of the RMB against the HK Dollar during the period.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2016 were HK$664.5 million, compared to HK$645.7 million as at 31 December 2015. The increase was mainly due to the increase in dividend payable to a non-controlling shareholder, the increase in capital expenditure payables, bus shelter rental payables, partially offset by lower wages and salaries payables and the depreciation of the RMB against the HK Dollar during the period. It would be inappropriate to give the turnover days against sales figures as the payable is more closely related to capital expenditure incurred for the acquisition of bus shelter concession rights.

Assets and Liabilities

As at 30 June 2016, the Group's total assets amounted to HK$3,652.6 million, slightly increased by 0.5% from HK$3,634.8 million, as at 31 December 2015. The Group's total liabilities increased to HK$906.9 million as at 30 June 2016 from HK$832.3 million as at 31 December 2015. Net assets as at 30 June 2016 decreased by 2.0% to HK$2,745.7 million from HK$2,802.4 million as at 31 December 2015. This was mainly due to the 2015 final dividends payable to the shareholders of the Group and the foreign exchange losses from translation of the Group's RMB operation in Mainland China, partially offset by the retention of the net profit earned in the six months ended 30 June 2016. Net current assets decreased from HK$900.4 million as at 31 December 2015, to HK$837.4 million as at 30 June 2016.

As at 30 June 2016, the Group's total cash and cash equivalents amounted to HK$622.1 million (31 December 2015: HK$689.3 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at HK$54.2 million as at 30 June 2016. Total shareholders' equity for the Group as at 30 June 2016 decrease by 2.0%, to HK$2,745.7 million, from HK$2,802.4 million as at 31 December 2015. The Group's reserves as at 30 June 2016 amounted to HK$2,595.2 million, a 1.5% decrease over the corresponding balance of HK$2,633.5 million as at 31 December 2015. This was mainly due to the 2015 final dividends payable to the shareholders of the Group and the foreign exchange losses from translation of the Group's RMB operation in Mainland China, partially offset by the retention of the net profit earned in the six months ended 30 June 2016. The Group undertook no share repurchases during the period.

Exposure to Foreign Exchange Risk

The Group's only investment in China remains its operating vehicle, the WHA Joint Venture, which solely conducts business within the PRC. WHA Joint Venture's operations, the bulk of its turnover, capital investment and expenses is denominated in RMB. As at the date of this announcement, the Group has not experienced any difficulties in obtaining government approval for its necessary foreign exchange purchases. During the period under review, the Group did not issue any financial instruments for hedging purposes.

The average exchange rate of the RMB has depreciated by 4.96% against the Hong Kong Dollar during the six months ended 30 June 2016 as compared with the same period last year. The Group's turnover and costs are largely denominated in RMB, which will largely offset each other. However, as the Group's net profit is reported in Hong Kong Dollar, the depreciation of the RMB will have a negative impact on the Group's net profit.

The majority of our operating assets are located in the PRC and is denominated in RMB. The operating assets are translated to Hong Kong Dollar at the 30 June 2016 spot rate. The spot rate of RMB as of 30 June 2016 has depreciated against the Hong Kong Dollar by 2.27% as compared with the spot rate as at 31 December 2015. This has resulted in a decrease in the exchange fluctuation reserve of approximately HK$61.7 million during the period.

Liquidity, Financial Resources, Borrowing and Gearing

The Group finances its operations and investment activities mainly with internally generated cash flow.

As at 30 June 2016, the Group's total cash and cash equivalents amounted to HK$622.1 million (HK$689.3 million as at 31 December 2015). The Group had no short-term or long-term debt outstanding as at 30 June 2016 (31 December 2015: Nil).

The Group's current policy is to maintain a low level of gearing. This policy will be reviewed on an annual basis. We plan to invest in and expand our bus shelter network, and explore investment opportunities with the aim to increase return to shareholders.

Capital Expenditure

For the six months ended 30 June 2016, the Group invested HK$203.5 million in the construction of bus shelters and acquisition of concession rights, and HK$5.1 million on fixed assets, compared to HK$245.4 million and HK$24.5 million, respectively, for the same period last year.

Material Acquisitions and Disposals

There were no other material acquisitions or disposals of any subsidiaries, associates or joint ventures of the Group during the six months ended 30 June 2016.

Employment, Training and Development

As at 30 June 2016, the Group had a total of 558 employees, a decrease of 4.1% over the same period in 2015. Total wages and salaries increased by 2.8% mainly due to salary increments.

As a matter of policy, employees are remunerated based on their performance, experience and the prevailing industry practices, and compensation policies and packages are reviewed on a regular basis. Bonuses are linked to the performance of both the Group and the individual as recognition of value creation. Share options are also granted to senior management in an effort to align their individual interests with the Group's interests. Training courses and conferences aimed at improving team members' knowledge and skills were organized throughout the period.

Charges on Group Assets

As at 30 June 2016, a bank balance of RMB1.3 million (equivalent to approximately HK$1.5 million) (31 December 2015: RMB1.3 million (equivalent to approximately HK$1.5 million) was frozen by one of the financial institutions which has commend legal proceedings against the Company's subsidiary. The directors of the Company are of the view that the dispute will not have any material impact on the condensed consolidated financial statements of the Group.

Capital Commitments

As at 30 June 2016, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to HK$80.3 million (31 December 2015: HK$1.5 million).

Contingent Liabilities

During 2014, a supplier of the Group in China (the "**Supplier**") factored its accounts receivable allegedly due from the Group (the "**Accounts Receivable**") under certain supply contracts (the "**Purported Supply Contracts**") to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As of the date of this announcement, the trial dates for these legal proceedings had yet to be fixed. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as being contractual fraud and reported the cases to the competent police authority. The directors, taking into account the advices from the Group's legal counsel, believe that the Group has a valid defence in law to the allegations against it and, accordingly, have not provided for any potential claim arising from the litigation, other than the related legal and other costs.

On 8 January 2016, the Group received a notice from a certain District Court in the PRC (the "**Court**") stating that a plaintiff has initiated legal action against the Supplier and that the Court has ruled in such plaintiff's favour and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million owing by the Group to the Supplier into the bank account of the Court. The directors, taking into consideration the advice of the Group's legal counsel, believe that this development will not result in the Group being liable to additional liability exceeding the outstanding liability already taken up in the accounts under other payables and accruals, between the Supplier and the Group.

FINANCIAL KEY PERFORMANCE INDICATOR

EBITDA as the financial key performance indicator

EBITDA is the Group's earnings before interest, tax, depreciation and amortization. The Company uses the Group's EBITDA as the financial key performance indicator. The Company's aim is to increase the Group's EBITDA. We monitor the Group's EBITDA for the current period and make comparison with that in the same period of the previous year as a measure of the performance. Details of the Group's EBITDA are set out in the "EBITDA" section.

Environmental Policies and Compliance

We are committed to minimizing the impact of our activities on the environment. To this end, various impact assessments have been undertaken and policies created which are in line with international best practices and long term sustainability.

The core values of our environmental policy are to meet all the environmental legislations that relates to our operations.

In addition to full compliance with all laws relevant to sustaining and improving the environment, we are committed to deploying ecologically friendly construction techniques, materials and operational procedures.

The energy consumed by bus shelter panel accounts for almost 95% of the Group's energy consumption. In order to reduce electrical consumption for bus shelter panel while preserving illumination for public safety, we have gradually reduced the number of fluorescent tubes usage and increased the use of LED lighting structures. The LED lighting structures offer energy savings of more than 50% compared to the use of fluorescent tube. In addition to using LED lighting structures on all new shelters built in the first half of 2016, we have also converted about 20% of our existing bus shelter panels to LED lighting structures during the period. As of 30 June 2016, about 62% of our total bus shelter panels are with LED lighting structures and we plan to gradually increase the ratio in the next few years.

In addition, we have installed light controllers and auto timers into many of the lightbox structures which help to reduce electrical consumption.

KEY RELATIONSHIPS

Relationships with Vendors

We have established relationships with over 12 major suppliers for the construction and supply of bus shelters and other outdoor media. Except for one vendor who has allegedly engaged in certain fraudulent activities as set out in the "Contingent Liabilities" section and was replaced with other third party suppliers, we have no major events effecting our relationships with our suppliers. An annual internal evaluation, led by our Engineering Department, is performed to measure the financial, technical, quality and logistics performance of these suppliers.

Relationships with Employees

During the year, we are not aware of any major event affecting our relationships with our employees.

Relationships with Customers

Our sales team interact closely with advertising clients' marketing personnel and their advertising agents. In addition, our sales team identify new advertising clients every year. During the period, the total number of advertising clients slightly decreased to 519 for the six months ended 30 June 2016 from 534 in the same period last year.

OUTLOOK

The operating environment is expected to remain challenging for the second half of 2016. Management expects the revenue performance from customers in different industries to be mixed.

We expect to maintain our capital expenditure budget for the full year of 2016 at a similar scale to 2015 as we continue to identify acquisition opportunities in major cities and new cities to extend the breadth and depth of the reach of our networks, capitalizing on the favorable asset price levels. Such capital expenditure is expected to be funded from the cash on the balance sheet and the Company's future operating cash flows.

In the long run, Clear Media maintains its optimistic stance towards prospects of the out-of-home advertising sector in China on the back of the country's persisting growth in consumer spending and continuing urbanization.

SUPPLEMENTARY INFORMATION

Corporate Governance

The Board is committed to the principles of corporate governance for a transparent, responsible and value-driven management that is focused on enhancing shareholders' value. In order to reinforce independence, accountability and responsibility, the role of Clear Media's Chairman is separate from that of Clear Media's Chief Executive Officer. The Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee, a Capital Expenditure Committee, a Cash Committee, a Directors' Securities Dealing Committee and a Risk Committee with defined terms of reference.

Corporate governance practices adopted by the Group during the period from 1 January 2016 to 30 June 2016 are in line with the code provisions set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

None of the directors of the Company is aware of any information that would reasonably indicate that Clear Media is not, or was not for any part of the period from 1 January 2016 to 30 June 2016, in compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules.

Compliance with the Model Code of Appendix 10 of the Listing Rules

The directors of the Company confirm that the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules has been adopted, and all Directors, following specific enquiry by Clear Media, have confirmed their compliance during the six months period under review.

Audit Committee

The Audit Committee is comprised of a majority of independent non-executive Directors with substantial expertise in finance as well as relevant market experience. The Audit Committee has reviewed the accounting policies and practices adopted by the Group as well as the unaudited interim condensed financial statements for the six months period ended 30 June 2016. The Committee has also discussed with the external auditors their work in relation to the interim review. As part of discharging its responsibilities, the Committee has also met with the internal auditor and monitored his work on internal controls, risk management and financial reporting matters during the period.

Purchase, Sale and Redemption of the Company's Listed Securities

Neither Clear Media nor any of its subsidiaries has purchased, sold or redeemed any of Clear Media's securities during the interim period.

Investor Relations and Communications

The Group has maintained communication with investors and analysts through regular meetings, investment conferences and electronic newsletters. The Group also maintains investor relations websites at www.clear-media.net and www.irasia.com/listco/hk/clearmedia to disseminate information to investors and shareholders on a timely basis.

Book Closure for Entitlement to the Proposed Special Dividend

The Register of Members will be closed from Tuesday, 13 September 2016 to Thursday, 15 September 2016 both days inclusive, during which period no share transfers will be registered. In order to qualify for the proposed special dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 12 September 2016.

By order of the Board
Clear Media Limited
Joseph Tcheng
Chairman

Hong Kong, 9 August 2016

This announcement can also be accessed through our internet sites at www.clear-media.net, www.irasia.com/listco/hk/clearmedia and the designated issuer website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The 2016 interim report of the Company containing information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr. Joseph Tcheng
Mr. Han Zi Jing
Mr. Teo Hong Kiong
Mr. Zhang Huai Jun

Non-executive Directors:
Mr. William Eccleshare
Mr. Peter Cosgrove
Mr. Zhu Jia
Mr. Cormac O'Shea

Independent Non-executive Directors:
Mr. Wang Shou Zhi
Ms. Leonie Ki Man Fung
Mr. Thomas Manning
Mr. Robert Gazzi

Alternate Director:
Mr. Zou Nan Feng (alternate to Mr. Zhang Huai Jun)