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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 2017

- The Group's total turnover increased by 1.8% to RMB762.5 million.
- EBITDA increased by 2.7% to RMB308.4 million.
- Amortisation of concession rights increased by 8.7% to RMB163.9 million due to the investment to protect the long-term growth of the business.
- Net profit[1] decreased by 15.5% to RMB76.9 million.
- Basic earnings per share decreased by 15.5% to RMB0.1419.

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 2017, which have been reviewed by Ernst & Young and the Group's Audit Committee, 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*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

	Notes	**For the six months ended 30 June 2017 (Unaudited)** ***RMB'000***	**For the six months ended 30 June** 2016 (Unaudited) *RMB'000* (Restated)
Revenue	*3*	**762,547**	748,764
Cost of sales	*5*	**(446,698)**	(441,763)
Gross profit		**315,849**	307,001
Other income	*3*	**2,141**	2,220
Selling and distribution expenses		**(82,637)**	(82,139)
Administrative expenses		**(96,217)**	(82,140)
Other expenses		**(41)**	(349)
Finance costs	*4*	**(5,083)**	–
PROFIT BEFORE TAX	*5*	**134,012**	144,593
Income tax expense	*6*	**(41,760)**	(40,431)
PROFIT FOR THE PERIOD		**92,252**	104,162
ATTRIBUTABLE TO:			
Owners of the parent		**76,854**	90,948
Non-controlling interests		**15,398**	13,214
		92,252	104,162
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	*7*	**0.1419**	0.1679
Diluted (RMB)	*7*	**0.1419**	0.1679

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE PERIOD	**92,252**	104,162
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(2,112)**	3,607
Other comprehensive (loss)/income for the period, net of tax	**(2,112)**	3,607
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**90,140**	107,769
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**74,742**	94,555
Non-controlling interests	**15,398**	13,214
	90,140	107,769

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	**30 June 2017 (Unaudited)** *RMB'000*	31 December 2016 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**46,069**	49,149
Concession rights	*10*	**1,523,124**	1,596,488
Long-term prepayments, deposits and other receivables	*11*	**86,198**	81,127
Total non-current assets		**1,655,391**	1,726,764
CURRENT ASSETS			
Trade receivables	*12*	**627,534**	612,264
Prepayments, deposits and other receivables	*13*	**148,771**	159,064
Due from related parties	*14*	**124,129**	99,313
Pledged deposits and restricted cash	*15*	**1,288**	1,285
Cash and cash equivalents	*15*	**590,359**	514,170
Total current assets		**1,492,081**	1,386,096
CURRENT LIABILITIES			
Other payables and accruals		**619,155**	599,827
Deferred income		**2,819**	3,282
Tax payable		**39,102**	78,177
Dividend payable		**79,979**	–
Total current liabilities		**741,055**	681,286
NET CURRENT ASSETS		**751,026**	704,810
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,406,417**	2,431,574
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**62,324**	76,045
Total non-current liabilities		**62,324**	76,045
Net assets		**2,344,093**	2,355,529
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**56,945**	56,945
Other reserves		**2,185,412**	2,188,469
		2,242,357	2,245,414
Non-controlling interests		**101,736**	110,115
Total equity		**2,344,093**	2,355,529

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Attributable to owners of the parent									
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Foreign currency translation reserve RMB'000	Share award reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2016 — restated	56,945	878,183	2,864	38,851	(3,684)	–	1,264,569	2,237,728	110,781	2,348,509
Profit for the period	–	–	–	–	–	–	90,948	90,948	13,214	104,162
Other comprehensive income	–	–	–	–	3,607	–	–	3,607	–	3,607
Total comprehensive income for the period	–	–	–	–	3,607	–	90,948	94,555	13,214	107,769
Equity-settled share option arrangements	–	–	1,683	–	–	–	–	1,683	–	1,683
Dividends payable to a non-controlling shareholder	–	–	–	–	–	–	–	–	(30,192)	(30,192)
Final 2015 dividend payable	–	–	–	(27,086)	–	–	(47,175)	(74,261)	–	(74,261)
At 30 June 2016 (unaudited)	56,945	878,183	4,547	11,765	(77)	–	1,308,342	2,259,705	93,803	2,353,508
As at 1 January 2017	56,945	749,213	6,289	140,735	4,266	–	1,287,966	2,245,414	110,115	2,355,529
Profit for the period	–	–	–	–	–	–	76,854	76,854	15,398	92,252
Other comprehensive loss	–	–	–	–	(2,112)	–	–	(2,112)	–	(2,112)
Total comprehensive (loss)/income	–	–	–	–	(2,112)	–	76,854	74,742	15,398	90,140
Equity-settled share option arrangements	–	–	1,918	–	–	–	–	1,918	–	1,918
Recognition of share award scheme	–	–	–	–	–	262	–	262	–	262
Dividends payable to a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	(23,777)	(23,777)
Final 2016 dividend payable	–	–	–	–	–	–	(79,979)	(79,979)	–	(79,979)
At 30 June 2017 (unaudited)	56,945	749,213	8,207	140,735	2,154	262	1,284,841	2,242,357	101,736	2,344,093

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June 2017 (Unaudited) *RMB'000*	2016 (Unaudited) *RMB'000* (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**134,012**	144,593
Adjustments for:			
Loss on disposal of concession rights	*5*	**52**	368
Impairment losses of trade receivables recognised	*5*	**25,814**	9,158
Gain on disposal of items of property, plant and equipment	*5*	**(11)**	(19)
Depreciation of items of property, plant and equipment	*5*	**7,486**	7,105
Recognition of prepaid lease payments		**1,009**	1,010
Amortisation of concession rights	*5*	**163,947**	150,770
Foreign exchange losses, net		**5,083**	–
Share award scheme expense	*5*	**262**	–
Equity-settled share option expense	*5*	**1,918**	1,683
Interest income	*3*	**(2,141)**	(2,220)
		337,431	312,448
Increase in long-term prepayments, deposits and other receivables		**(12,380)**	(6,793)
Increase in trade receivables		**(41,084)**	(62,230)
Decrease/(increase) in prepayments, deposits and other receivables		**10,535**	(27,734)
Increase in amounts due from related parties		**(24,816)**	(24,353)
Increase/(decrease) in other payables and accruals		**49,868**	(8,675)
Decrease in deferred income		**(463)**	(214)
Cash generated from operations		**319,091**	182,449
Income taxes paid		**(94,559)**	(63,524)
Net cash flows from operating activities		**224,532**	118,925

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	**(2,332)**	(5,422)
Proceeds from disposal of items of property, plant and equipment	**11**	19
Proceeds from disposal of concession rights	**16**	148
Purchase of concession rights	**(124,982)**	(164,218)
Interest received	**1,899**	2,440
Net cash flows used in investing activities	**(125,388)**	(167,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to a non-controlling shareholder of a subsidiary	**(15,765)**	–
Net cash flows used in financing activities	**(15,765)**	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**83,379**	(48,108)
Cash and cash equivalents at beginning of period	**514,170**	577,514
Effect of foreign exchange rate changes, net	**(7,190)**	3,599
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**590,359**	533,005
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**590,359**	533,005

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2017

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), including compliance 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 2016.

Change of presentation currency

As reported in the 2016 annual report of the Group, the presentation currency of the Group was changed from Hong Kong dollars to Renminbi ("**RMB**") starting from the year ended 31 December 2016. Since the Group mainly operates its business in the Mainland China via Hainan White Horse Advertising Media Investment Company Limited (the "**WHA Joint Venture**"), which is the sole operating vehicle of the Group in Mainland China. WHA Joint Venture's operations, turnover, expenses and capital investment are denominated in RMB and most of the assets and liabilities of the Group are denominated in RMB. The directors considered that it is more appropriate to use RMB as the presentation currency of the Group and the presentation of financial statements in RMB can provide more relevant information for management to control and monitor the performance and financial position of the Group. Certain comparative figures have been restated to conform with the current period's presentation.

For the purpose of presenting the interim condensed consolidated financial statements of the Group in RMB, the assets and liabilities for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period. Income and expenses for the consolidated statement of profit or loss and consolidated statement of comprehensive income are translated at the average exchange rates for the financial period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of transactions are used. The share capital, share premium and reserves are translated at the exchange rates at the dates of transactions. The non-controlling interests for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period.

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 2016, except for the adoption of the new or revised standards, interpretation and amendments as of 1 January 2017, noted below:

Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKAS 7	*Disclosure Initiative*
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	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Rental from outdoor advertising spaces	**762,547**	748,764
Other income		
Interest income	**2,141**	2,220

4. FINANCE COSTS

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Foreign exchange loss	**5,083**	–

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Cost of services provided	**102,796**	111,968
Operating lease rentals on bus shelters	**178,345**	176,915
Cost of services in a bus shelter joint-operation arrangement*	**1,610**	2,110
Amortisation of concession rights	**163,947**	150,770
Cost of sales	**446,698**	441,763
Impairment losses of trade receivables recognised	**25,814**	9,158
Bad debt recovered	**(2,643)**	–
Auditors' remuneration	**1,296**	1,247
Depreciation of items of property, plant and equipment	**7,486**	7,105
Loss on disposal of concession rights	**52**	368
Gain on disposal of items of property, plant and equipment	**(11)**	(19)
Operating lease rentals on buildings	**19,864**	19,581
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	**79,384**	77,123
Equity-settled share option expenses	**1,918**	1,683
Share award scheme expenses	**262**	–
Pension scheme contributions	**8,565**	8,527
	90,129	87,333
Foreign exchange loss	**5,083**	–
Interest income	**(2,141)**	(2,220)

* 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. INCOME TAX

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Current — Hong Kong profits tax	**–**	–
Current — PRC corporate income tax	**44,780**	47,414
Deferred tax	**(3,020)**	(6,983)
Total tax charge for the period	**41,760**	40,431

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 2016: 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, 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% (2016: 25%) for the head office and its branches on its assessable profits arising in the PRC for the year 2017.

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 2017, the Group recognized a deferred tax liability of Nil (31 December 2016: RMB7,991,000) 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 RMB76,854,000 (six months ended 30 June 2016: RMB90,948,000) and the weighted average number of 541,700,500 (six months ended 30 June 2016: 541,700,500) 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 RMB76,854,000 (six months ended 30 June 2016: RMB90,948,000). The weighted average number of ordinary shares used in the calculation is the 541,700,500 (six months ended 30 June 2016: 541,700,500) 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 2016: Nil) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

8. DIVIDEND

On 16 June 2017, the Board of Directors has recommended to pay a special dividend of HK27 cents per share which is equivalent to RMB127,465,000 (approximately HK$146,259,135) based on 541,700,500 outstanding shares in issue. The special dividend was approved by the shareholders at the special general meeting on 7 July 2017 and was paid on Monday, 31 July 2017 to the shareholders registered on the Register of Members on Monday, 17 July 2017.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired property, plant and equipment at a cost of RMB2,332,000 (six months ended 30 June 2016: RMB4,298,000), and incurred construction in progress at a cost of RMB2,529,000 (six months ended 30 June 2016: RMB11,938,000).

Property, plant and equipment with a net book value of nil were disposed of by the Group during the six months ended 30 June 2017 (six months ended 30 June 2016: Nil), resulting in a net gain on disposal of RMB11,000 (six months ended 30 June 2016: RMB19,000).

10. CONCESSION RIGHTS

During the six months ended 30 June 2017, the Group had an addition of concession rights at a cost of RMB90,652,000 (six months ended 30 June 2016: RMB167,947,000), including concession rights transferred from construction in progress of RMB450,000 (six months ended 30 June 2016: RMB8,925,000).

Concession rights with a net book value of RMB68,000 were disposed of/written down by the Group during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB516,000), resulting in a net loss on disposal of RMB52,000 (six months ended 30 June 2016: RMB368,000).

11. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments amounting to RMB61,932,000 (31 December 2016: RMB49,552,000) have been placed with certain independent third parties in connection with the rental, extension and renewal of certain of the Group's bus shelter concession rights in the PRC.

The balance as at 30 June 2017 also included a non-current portion of a prepaid bus shelter lease payment amounting to RMB3,528,000 (31 December 2016: RMB4,537,000) and a long-term rental deposit of RMB20,738,000 (31 December 2016: RMB20,738,000).

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:

	30 June 2017 (Unaudited) *RMB'000*	31 December 2016 (Audited) *RMB'000*
Current to 90 days	**339,811**	291,219
91 days to 180 days	**176,408**	234,973
181 days to 360 days	**129,102**	88,657
Over 360 days	**44,073**	34,599
	689,394	649,448
Less: Provision for impairment of trade receivables	**(61,860)**	(37,184)
Total trade receivables, net	**627,534**	612,264

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

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
At 1 January	**37,184**	26,322
Impairment losses provided	**25,814**	9,158
Amount written off as uncollectible	**(1,138)**	(5,092)
At 30 June	**61,860**	30,388

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 2017	31 December 2016
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Neither past due nor impaired	**509,090**	526,192
Less than 3 months past due	**83,778**	72,211
Over 3 months past due	**34,666**	13,861
	627,534	612,264

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 2017 included a receivable from Hainan White Horse Advertising Co., Ltd. ("**Hainan White Horse**"), the non-controlling shareholder of WHA Joint Venture, amounting to RMB109,178,000 (31 December 2016: RMB99,902,000), which is unsecured, interest-free and has no fixed terms of repayment.

14. DUE FROM RELATED PARTIES

	30 June 2017 (Unaudited) *RMB'000*	31 December 2016 (Audited) *RMB'000*
Hainan White Horse Media Advertising Company Limited ("**WHM**")	**77,823**	21,360
White Horse (Shanghai) Investment Company Limited ("**WSI**")	**46,306**	77,953
	124,129	99,313

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

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

	30 June 2017 (Unaudited) *RMB'000*	31 December 2016 (Audited) *RMB'000*
Current to 90 days	**101,660**	76,665
91 days to 180 days	**22,133**	20,228
181 days to 360 days	**336**	2,420
Over 360 days	**–**	–
	124,129	99,313

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

As at 30 June 2017, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("**RMB**") and in Hong Kong dollars ("**HK$**") amounted to RMB290,783,000 (31 December 2016: RMB434,866,000) and RMB300,864,000 (31 December 2016: RMB80,589,000), 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 2017, the Group maintained less than 20% of the Group's total bank balances in any bank.

As at 30 June 2017, a bank balance of RMB1,288,000 (31 December 2016: RMB1,285,000) 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 interim condensed consolidated financial statements of the Group.

16. SHARE CAPITAL

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
	RMB'000	*RMB'000*
Shares		
Issued and fully paid:		
541,700,500 ordinary shares of HK$0.10 each (31 December 2016: 541,700,500)	**56,945**	56,945

17. SHARE OPTION SCHEMES

On 31 May 2017, 1,929,000 share options were granted by the Company. The exercise price of the option of HK$8.99 was equal to the market price of the shares on the date of grant. The new options are valid for a period of seven years, commencing on 31 May 2017. The options granted to each of the grantees will vest on 1 February 2020.

The fair value of the share options granted on 31 May 2017 was HK$5,281,000 (HK$2.74 each), of which the Group recognised a share option expense of HK$171,000 during the six months ended 30 June 2017.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant, using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield:	1.89%
Expected volatility:	34.95%
Risk-free interest rate:	1.51%
Expected life of options	7 years
Exercise price per share:	HK$8.99
Share price at grant date:	HK$8.99

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

18. SHARE AWARD RESERVE

On 31 May 2017, the Board of Directors adopted the share award scheme (the "**Share Award Scheme**"). Under the Share Award Scheme, the Board of Directors may select any employee of the Group (the "**Selected Employee**") and make an award of Shares and cash (if any) ("**Award**") to such Selected Employee and determine the reference awarded sum ("**Reference Awarded Sum**") for the purchase and/or allocation of awarded shares ("**Awarded Shares**"). The Company has appointed an independent trustee ("**Trustee**") for the administration of the Scheme.

On 31 May 2017, the Board of Directors resolved to grant three Awards comprising an aggregate Reference Awarded Sums of HK$9,600,000 (equivalent to RMB8,400,000) for the purchase of Shares and an aggregate amount of HK$4,800,000 in cash to be awarded to three Selected Employees under the Share Award Scheme. Each Award comprises (i) a share award with a Reference Awarded Sum of HK$3,200,000 and (ii) a cash award of HK$1,600,000.

Subject to the acceptance of the Awards by all the Selected Employees, the Company will cause the sum of HK$9,600,000 ("**Reference Amount**") to be paid to the Trustee from the Company's resources. The Trustee shall apply the Reference Amount towards the purchase of the maximum number of board lots of Shares at the prevailing market price and shall hold such Shares for the benefit of the relevant Selected Employees in accordance with the Scheme and the Trust Deed.

Vesting of the three Awards granted is subject to the fulfillment (or waiver) of vesting conditions (including the EBITDA performance of the Group for the years ended 31 December 2017, 2018 and 2019) specified in the Grant Letters. The actual number of Awarded Shares (and their Related Income) and amount of cash award to be vested is subject to the performance of the Group prior to vesting and may be reduced accordingly.

Based on the closing price of HK$8.99 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as at 31 May 2017 (being the date of grant of the three Awards) and without taking into account the necessary fees and expenses for purchase of Shares in the market, the maximum number of Shares in board lot that can be purchased by the Reference Amount is approximately 1,068,000 Shares (and each of the three Selected Employees can receive about 355,951 Shares).

As at 30 June 2017, the Trustee has not yet purchased any Shares for the three Awards.

The Group has recognized a Share Award Scheme expense of RMB262,000 under the Share Award Scheme in profit or loss (six months ended 30 June 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the first half of 2017, economic growth in Mainland China continued to be moderate while the operating environment remained challenging and volatile. Late confirmation and last-minute cancellation of orders continued to be common. The relatively early Chinese New Year and the postponement of the marketing campaigns by certain key customers posed challenges for our sales team during the first quarter of this year. Sales growth resumed in the second quarter with improved momentum.

The demand from clients in the e-commerce and IT sectors continued to grow. During the first half of this year, the contribution from the e-commerce sector increased to 30% (1H2016:28%) and that from the IT sector increased to 20% (1H2016: 17%). New customers from the e-commerce sector were added to our client base during the period.

In general, the advertisers from the traditional industries were relatively cost-conscious with their advertising budgets.

Operation Overview

Bus Shelter Advertising Business

As of 30 June 2017, Clear Media, the largest bus shelter advertising panel operator in China, operated an extensive standardized bus shelter advertising network in the country, with a total of 48,000 panels (as of 30 June 2016: 47,000 panels) in 24 cities.

The Group's bus shelter advertising revenue, net of value added tax, increased by 1.8% year on year to RMB762.5 million.

The average number of bus shelter panels increased by 2.9% during the first half of 2017. Yield per shelter before value added tax ("yield per shelter") decreased by 0.9% year on year. The decrease was mainly caused by the decline in overall occupancy rate.

Key Cities

For the six months ended 30 June 2017, the revenue from the top three cities Guangzhou, Shanghai and Beijing increased by 6.0% year on year to RMB483.0 million (1H2016: RMB455.9 million). The growth was driven by a year-on-year increase of 6.4% in the average number of bus shelter panels. The yield per shelter declined marginally by 0.4% to RMB 50,748 (1H2016: RMB 50,939) .

Mid-tier Cities

The revenue from all mid-tier cities decreased by 3.5% to RMB320.4 million (1H2016: RMB331.9 million) due to a lower yield per shelter at RMB26,024 (1H2016: RMB27,077). Among the mid-tier cities where the Group operates, Shenzhen, Dalian, Harbin, Changchun and Wuxi performed particularly well during the period with double-digit revenue growth. Part of our Chengdu bus shelter operating contracts have expired during the first half of 2017. Contribution from this city has declined following the inventory reduction and this has dragged down the overall performance of the mid-tier cities.

Digital Panels

As of 30 June 2017, the Group operated a total of 256 digital panels in Nanjing (As of 30 June 2016: 257). Total sales generated from the digital panel advertising business amounted to RMB4.8 million for the six months ended 30 June 2017 (1H2016: RMB5.6 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover increased by 1.8% to RMB762.5 million during the first half of 2017.

Other Income

Other income slightly decreased from RMB2.2 million in the prior period to RMB2.1 million.

Expenses

Over the past years, we exercised discipline in cost management. During the first half of 2017, our management was particularly cautious in managing costs and expenses.

During the six months ended 30 June 2017, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, decreased by 2.8% to RMB282.8 million (1H2016: RMB291.0 million).

The 0.6% increase in the direct rental costs for our core bus shelter advertising business was lower than the 2.9% increase in average number of panels. This was mainly due to the reversal of certain rent provision made in the normal course of business which was subject to negotiations on an ongoing basis with the relevant authority. The reversal has resulted in RMB13.7 million of provision being released in 1H2017. There was no such reversal during the same period last year.

Electricity cost decreased by 46.4% mainly due to the conversion of fluorescence light tubes to LED lighting structures which resulted in lower electricity consumption and the reversal of certain electricity provisions made in the normal course of business and in prior period which have been overdue for certain time period with no recourse. The impact is partially offset by the increase in the number of bus shelter panels.

Cleaning and maintenance costs increased by 3.1% mainly due to the increase in the number of bus shelter panels and a revision to the standard maintenance fee. The increase was partially offset by an adjustment to the ratio of cleaning and maintenance expenses subsidized by Hainan White Horse Advertising Co., Ltd., ("**Hainan White Horse**"), the non-controlling shareholder of WHA Joint Venture. This cleaning and maintenance subsidy arrangement was made and has been in effect since 2001 as part of the pre-listing re-organization 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. The cleaning and maintenance subsidy increased by 26.7% to RMB25.2 million (1H2016: RMB19.8 million).

Total selling, general and administrative expenses, excluding depreciation and amortization, increased by 9.0% to RMB171.4 million for the six months ended 30 June 2017 (1H2016: RMB157.2 million) mainly due to higher provision of bad debt and salary increase.

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") increased by 2.7% to RMB308.4 million (1H2016: RMB300.2 million) mainly due to higher turnover of the core bus shelter advertising business in the current period, lower direct rental expenses due to the reversal of certain rent provision which has resulted in RMB13.7 million of provision being released during the period, lower electricity expenses due to lower electricity consumption of LED lighting structures and the reversal of certain electricity provision made in the normal course of business and in prior period which have been overdue for certain time period with no recourse, partially offset by the increase in selling, general and administrative expenses during the period. EBITDA margin increased to 40.4% (1H2016: 40.1%).

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

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Profit before tax	**134,012**	144,593
Add:		
— Foreign exchange loss	**5,083**	–
— Depreciation of property, plant and equipment	**7,486**	7,105
— Amortization of concession rights	**163,947**	150,770
Subtotal	**176,516**	157,875
Less:		
— Interest income	**(2,141)**	(2,220)
EBITDA	**308,387**	300,248

EBIT

The Group's earnings before interest and tax ("**EBIT**") decreased by 3.8% to RMB137.0 million for the current six-month period from RMB142.4 million in the same period last year following the increase in amortization expenses.

Finance Costs

During the period under review, the Group carried no debt. The increase in finance costs by RMB5.1 million (1H2016: Nil) was mainly due to increase in realized exchange losses arising from the exchange rate movement between the declaration and settlement of an inter-company dividend.

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, is subject to a corporate income tax of 25% (2016: 25%) on its assessable profits arising in the PRC for the year 2017.

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 increased to RMB41.8 million for the six months ended 30 June 2017 from RMB40.4 million for the same period last year mainly due to higher withholding tax expenses during the period.

As at 30 June 2017, the Group recognized a deferred tax liability of Nil (31 December 2016: RMB8.0 million) in respect of the withholding tax on future dividend distribution by WHA Joint Venture. The decrease of the balance was 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 decreased by 15.5% to RMB76.9 million (1H2016: RMB90.9 million) for the six months ended 30 June 2017, while the net profit margin decreased to 10.1% (1H2016: 12.1%). Part of the decrease was attributable to the increase in amortisation of concession rights to RMB163.9 million (1H2016: RMB150.8 million), the RMB5.1 million realized exchange losses recognized during the period as disclosed in the "Finance Costs" section, and higher withholding tax expenses.

Net profit attributable to non-controlling interests increased by 16.5% to RMB15.4 million (1H2016: RMB13.2 million).

Cashflow

Net cash flows from operating activities for the current period increased to RMB224.5 million (1H2016: RMB118.9 million). The increase was mainly due to a lower level of increase in trade receivable balances 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 2017 decreased to RMB125.4 million (1H2016: RMB167.0 million) mainly due to lower level of capital expenditure in the first half of the year.

Net cash flows used in financing activities amounted to RMB15.8 million (2016: Nil) for the six months ended 30 June 2017. This was mainly due to the dividends paid to a non-controlling shareholder of a subsidiary.

Free cash flow, defined as EBITDA (before losses on disposal and write-off of concession rights and other assets, equity-settled share option expenses and share award scheme expense) less cash outflow on capital expenditure, less income tax and net interest expense, increased to RMB138.6 million for the current six-month period, compared to RMB94.4 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 2.5% to RMB627.5 million as at 30 June 2017 from RMB612.3 million as at 31 December 2016. The increase was mainly from the outstanding balances in the current to 90 days category which increased by RMB48.6 million following the higher sales towards the later part of the current period. The outstanding balances in the 181 days to 360 days category and the over 360 days category increased by RMB40.4 million and RMB9.5 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 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, increased to 122 days for the current six-month period from 120 days for the same period last year. As at 30 June 2017, the provision for impairment of accounts receivables increased to RMB61.9 million from RMB37.2 million as at 31 December 2016 due to slower collection from certain major customers 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 2017. 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 2017, the amount due from WHM and WSI increased to RMB124.1 million from RMB99.3 million as at 31 December 2016 mainly due to higher sales from customers represented by WHM and WSI during the current period. The main bulk of the increase was in the current to 90 days category. The average balance due from related parties outstanding days, on a time-weighted basis, improved to 76 days for the current six-month period from 98 days for the same period last year. We will continue to work closely with 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 2017 decreased to RMB148.8 million from RMB159.1 million as at 31 December 2016.

The balance as at 30 June 2017 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to RMB109.2 million (31 December 2016: RMB99.9 million), which are unsecured, interest-free and have no fixed terms of repayment.

The decrease in prepayments, deposits and other receivables was mainly due to the decrease of bus shelter rental prepayments, partially offset by higher office rental prepayment and the increase of receivable from Hainan White Horse during the period for the cleaning and maintenance expenses subsidized as disclosed in the "Expenses" section 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 2017 increased to RMB86.2 million from RMB81.1 million as at 31 December 2016.

The increase in long-term prepayments, deposits and other receivables was mainly due to a long-term deposit amounting to RMB12.0 million placed with an independent third party for the rental of certain of the Group's bus shelter in the PRC, partially offset by the decline in the long term prepayments made to an independent third party for the purchase of bus shelters as the bus shelters have been delivered and the balance has been classified as concession rights during the period.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2017 were RMB619.2 million, compared to RMB599.8 million as at 31 December 2016. The increase was mainly due to the increase in direct costs payables, partially offset by lower capital expenditure related payables during the period. We consider it 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 2017, the Group's total assets amounted to RMB3,147.5 million, a 1.1% increase from RMB3,112.9 million, as at 31 December 2016. The Group's total liabilities increased to RMB803.4 million as at 30 June 2017 from RMB757.3 million as at 31 December 2016. Net assets as at 30 June 2017 slightly decreased by 0.5% to RMB2,344.1 million from RMB2,355.5 million as at 31 December 2016. This was mainly due to the 2016 final dividends payable to the shareholders of the Group and dividends payable to a non-controlling shareholder of the WHA Joint Venture, partially offset by the retention of the net profit earned in the six months ended 30 June 2017. Net current assets increased from RMB704.8 million as at 31 December 2016, to RMB751.0 million as at 30 June 2017.

As at 30 June 2017, the Group's total cash and cash equivalents amounted to RMB590.4 million (31 December 2016: RMB514.2 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at RMB56.9 million as at 30 June 2017. Total shareholders' equity for the Group as at 30 June 2017 slightly decrease by 0.5% to RMB2,344.1 million from RMB2,355.5 million as at 31 December 2016. The Group's reserves as at 30 June 2017 amounted to RMB2,185.4 million, a 0.1% decrease over the corresponding balance of RMB2,188.5 million as at 31 December 2016. This was mainly due to the 2016 final dividends payable to the shareholders of the Group, partially offset by the retention of the net profit earned in the six months ended 30 June 2017.

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 are 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.

Liquidity, Financial Resources, Borrowing and Gearing

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

As at 30 June 2017, the Group's total cash and cash equivalents amounted to RMB590.4 million (31 December 2016: RMB514.2 million). The Group had no short-term or long-term debt outstanding as at 30 June 2017 (31 December 2016: Nil).

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

Capital Expenditure

For the six months ended 30 June 2017, the Group invested RMB92.7 million in the construction of bus shelters and acquisition of concession rights, and RMB2.3 million on fixed assets, compared to RMB171.0 million and RMB4.3 million, respectively, for the same period last year. During the first half of 2016, the Group incurred capital expenditure of RMB52.5 million on the installation of LED lighting structure on the bus shelters in order to save electricity. Such expenditure was much smaller in scale during the first half of 2017.

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 2017.

Employment, Training and Development

As at 30 June 2017, the Group had a total of 566 employees, an increase of 1.4% over the same period in 2016. Total wages and salaries increased by 2.9% 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 2017, a bank balance of RMB1.3 million (31 December 2016: RMB1.3 million was frozen in respect of a legal claim discussed in the "Contingent Liabilities" paragraph below.

Capital Commitments

As at 30 June 2017, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to RMB50.2 million (31 December 2016: RMB0.1 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. The trial date of a legal proceeding with a financial institution is preliminarily scheduled on 30 August 2017. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as 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 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. Total outstanding liability owed by the Group to the Supplier was RMB31.6 million. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million into the bank account of the Court. On 5 August 2016, the Court issued another compulsory order requiring the Group to remit the remaining outstanding sum of about RMB14.0 million owed by the Group to the Supplier to 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 for additional liability exceeding the outstanding liability already taken up in the account 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 measurement of the performance. Details of the Group's EBITDA are set out in the "EBITDA" section.

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 affecting 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 period, 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 decreased to 424 for the six months ended 30 June 2017 from 519 in the same period last year.

OUTLOOK

We are cautiously optimistic that the sales momentum in the second quarter will continue to the second half of the year. We expect a relatively high level of advertising interests from customers from the e-commerce, smart phone and mobile applications sectors.

In the long run, Clear Media maintains its optimistic stance towards the prospects of the out-of-home advertising sector in China on the back of the country's 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 2017 to 30 June 2017 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 2017 to 30 June 2017, 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 consolidated financial statements for the six months period ended 30 June 2017. 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.

By order of the Board
Clear Media Limited
Joseph Tcheng
Chairman

Hong Kong, 8 August 2017

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 2017 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)