

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

Stock code: 100



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Interim Report 2014



# Contents

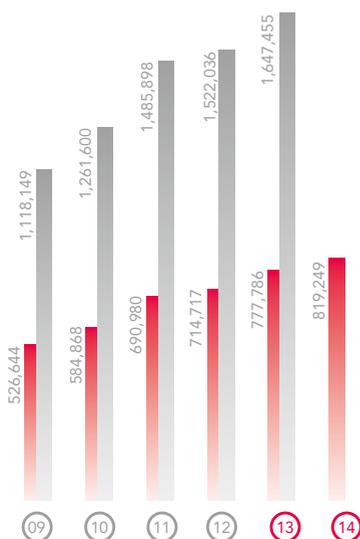
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## FINANCIAL HIGHLIGHTS

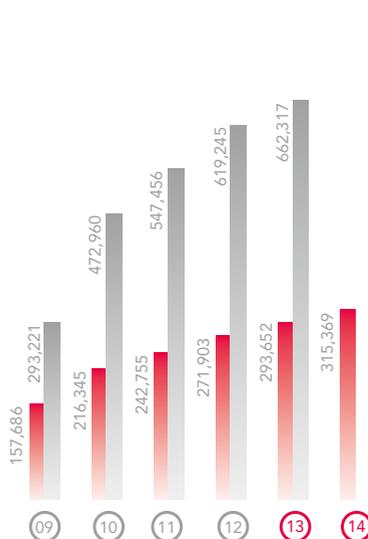
- The Group's total turnover increased by 5% to HK\$819 million.
- EBITDA increased by 7% to HK\$315 million.
- EBIT increased by 12% to HK\$151 million.
- Net profit<sup>1</sup> increased by 4% to HK\$91 million.
- Basic earnings per share increased by 3% to HK16.90 cents.

### Turnover (HK\$'000)



- Six months ended 30 June
- Year ended 31 December

### EBITDA (HK\$'000)



- Six months ended 30 June
- Year ended 31 December

<sup>1</sup> Net profit attributable to shareholders of the Company

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

During the first half of 2014, economic growth in Mainland China continued to be mild and the operating environment remained stable.

Both local and international advertisers continued to be cautious and preferred to book later than we have experienced in the past.

The revenue contribution from advertisers from the IT, realty, telecommunication, e-commerce and fashion industries increased. In particular, the revenue contribution from the IT sector as a percentage of total revenue increased to 13.6% in the first half of 2014 from 8.2% during the same period of last year.

Revenue contribution as a percentage of total revenue from the beverage sector has declined to 20.9% in the first half of 2014 from 28.3% during the same period of last year.

### OPERATION OVERVIEW

#### Bus Shelter Advertising Business

As of 30 June 2014, Clear Media operated the most extensive standardized bus shelter advertising network in Mainland China, with a total of more than 41,000 panels (1H2013: 37,000) covering 27 cities. Our bus shelter advertising revenue, net of value added tax, increased by 5.3% to HK\$819 million, on the back of mild economic growth.

The average selling price before value added tax ("ASP") increased by 3.6% during the first half of 2014. The average number of bus shelter panels increased by 6.4%. The overall occupancy rate increased marginally to 60% (1H2013: 59%).

Due to the change in tax regulation, the business tax for our bus shelter advertising business was replaced by value added tax in Shanghai, Beijing, Guangzhou and Shenzhen effective from 1 January 2012, 1 September 2012 and 1 November 2012, respectively. Business tax of all other China cities was replaced by value added tax effective from 1 August 2013. These tax charges had the effect of reducing our turnover by HK\$49 million in 1H2014 (1H2013: HK\$8 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATION OVERVIEW (continued)

#### Key Cities

For the six months ended 30 June 2014, the revenue before value added tax ("Gross Revenue") from Beijing, Guangzhou and Shanghai increased by 15.8% to HK\$487 million (1H2013: HK\$420 million). Among the three key cities, the revenue performance was led by Beijing, followed by Guangzhou, then Shanghai.

#### Beijing

The Gross Revenue from Beijing increased by 12.7% to HK\$218 million (1H2013: HK\$193 million) as the average number of bus shelter panels increased by 4.5%, the ASP increased by 4.0% and the occupancy rate increased to 66% (1H2013: 64%).

#### Guangzhou

The Gross Revenue from Guangzhou increased by 17.5% to HK\$157 million (1H2013: HK\$134 million) due to the 5.4% increase in the ASP and the increase in occupancy rate to 58% (1H2013: 51%). The average number of bus shelter panels decreased by 2.1%.

#### Shanghai

The Gross Revenue from Shanghai increased by 19.7% to HK\$112 million (1H2013: HK\$93 million) due to the 15.5% increase in the average number of bus shelter panels and the 3.8% increase in ASP. The occupancy rate was 50% (1H2013: 51%).

#### Mid-Tier Cities

The Gross Revenue from all mid-tier cities increased by 4.5% to HK\$381 million (1H2013: HK\$365 million) for the six months ended 30 June 2014. ASP increased by 0.7% and the average number of bus shelter panels increased by 7.2%. The occupancy rate decreased to 60% (1H2013: 62%).

Among the mid-tier cities where we operate, Shenzhen, Wuhan, Kunming, Shijiazhuang, Nanning, Changchun and Haikou performed well with double digit increase in revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Turnover

The Group's total turnover increased by 5.3% to HK\$819 million during the first half of 2014.

#### Other Income

Other income decreased from HK\$12.6 million in the prior period to HK\$8.7 million mainly due to lower bank fixed deposits interest income.

#### Expenses

During the six months ended 30 June 2014, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, slightly decreased by 0.6% to HK\$338 million (1H2013: HK\$340 million).

The rental costs for our core bus shelter advertising business increased by 12.6% during the current six-month period. The increase was mainly due to the general increase in the number of bus shelter panels by 6.4% and the revision of rental levels in certain cities.

During the first half of 2014, the cleaning and maintenance costs for our core bus shelter business increased by 12.0% mainly due to the increase in the number of bus shelter panels by 6.4% and higher maintenance and repair costs incurred during the period by HK\$4.5 million.

During the six months ended 30 June 2014, sales, cultural and other levies decreased by 51.8%, due to the replacement of business tax by value added tax.

Total selling, general and administrative expenses, excluding depreciation and amortisation, increased by 12.0% to HK\$161 million for the six months ended 30 June 2014 (1H2013: HK\$144 million), mainly due to higher staff costs following salary adjustment and head count increment and higher loss on disposal.

#### EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 7.4% to HK\$315 million (1H2013: HK\$294 million) mainly due to higher turnover of the core bus shelter advertising business in the current period. EBITDA margin increased to 38.5% (1H2013: 37.8%).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### EBIT

The Group's earnings before interest and tax ("EBIT") increased by 12.1% to HK\$151 million for the current six-month period from HK\$135 million in the same period last year, mainly due to higher turnover of the core bus shelter advertising business and lower level of amortization expenses increment as certain concession rights have been fully amortized during the period.

#### Finance Costs

During the period under review, the Group carried no debt hence the finance costs incurred were minimal at HK\$2 million (1H2013: HK\$1 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% (2013: 25%) on its assessable profits arising in the PRC for the year 2014.

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 for 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 HK\$49 million for the six months ended 30 June 2014 from HK\$44 million for the same period last year. This was mainly due to the increase in assessable profits of the core bus shelter advertising business during the current period. In addition, a deferred tax liability of HK\$3 million was recognised for withholding taxes on the profits of WHA Joint Venture which the Group considers that it is probable to be distributed in the foreseeable future.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Net Profit

Net profit increased by 4.4% to HK\$91 million (1H2013: HK\$87 million) for the six months ended 30 June 2014 on the back of the increase in the turnover of the core bus shelter advertising business, while the net profit margin remained stable at 11.1% (1H2013: 11.2%).

#### Cashflow

Net cash flows from operating activities for the current period decreased to HK\$213 million (1H2013: HK\$241 million), mainly due to the effect of working capital changes, partially offset by the higher operating profit for the period.

Net cash flows used in investing activities during the six months ended 30 June 2014 increased to HK\$153 million (1H2013: HK\$74 million) mainly due to the payment for 2013 capital expenditure projects and investment in inventory expansion including the Nanjing project in the first half of 2014.

Net cash flow from financing activities amounted to HK\$1 million for the period ended 30 June 2014. This was mainly due to the increase in share capital as a result of the exercise of 190,000 shares of options.

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, decreased to HK\$88 million for the current six-month period, compared to HK\$178 million in the same period last year. The decrease was mainly due to a higher level of capital expenditure, partially compensated by a higher EBITDA generated in the current period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Trade Receivables

The Group's accounts receivable balance due from third parties increased by 15.3% to HK\$562 million as at 30 June 2014 from HK\$488 million as at 31 December 2013. The increase was mainly from the outstanding balances in the current to 90 days category following the higher sales during the current period. Total outstanding balances in over 180 days category increased by HK\$22 million due to slower repayment 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 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. The accounts receivable relates to a large number of different customers.

Despite the higher Group's accounts receivable balance as at 30 June 2014, the increase was mainly from the outstanding balances in the current to 90 days category and average accounts receivable outstanding days, on a time-weighted basis, improved to 97 days for the current six-month period from 99 days for the same period last year. As at 30 June 2014, the provision for impairment of accounts receivables decreased to HK\$20 million from HK\$24 million as at 31 December 2013. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is appropriate and prudent.

#### Due from Related Party

As at 30 June 2014, the amount due from GWH decreased to HK\$136 million from HK\$149 million as at 31 December 2013 mainly due to the higher level of cash collection from GWH during the current period. Average balance due from GWH outstanding days, on a time-weighted basis, improved to 99 days for the current six-month period from 142 days for the same period last year. We will continue to work closely with GWH to expedite collection in the second half of the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2014 decreased to HK\$136 million from HK\$149 million as at 31 December 2013.

The balance as at 30 June 2014 included a receivable from Hainan White Horse Advertising Co., Ltd. ("Hainan White Horse"), the non-controlling shareholder of the WHA Joint Venture, amounting to HK\$76 million (31 December 2013: HK\$71 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 the increase in receivable from Hainan White Horse 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 2014 decreased to HK\$69 million from HK\$84 million as at 31 December 2013.

The decrease in long-term prepayments, deposits and other receivables was mainly due to a decline in the long-term prepayments made to an independent third party for the purchase of bus shelters. 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 2014 were HK\$624 million, compared to HK\$583 million as at 31 December 2013. The increase was mainly due to the increase in capital expenditure payables partially offset by a lower value added tax payable balance. 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Assets and Liabilities

As at 30 June 2014, the Group's total assets amounted to HK\$3,712 million, a 2.6% increase from HK\$3,617 million, as at 31 December 2013. The Group's total liabilities increased to HK\$866 million as at 30 June 2014 from HK\$732 million as at 31 December 2013. Net assets as at 30 June 2014 decreased by 1.3% to HK\$2,847 million from HK\$2,885 million as at 31 December 2013. This was mainly due to the reclassification of the 2013 final dividend to current liability upon the approval of the 2013 final dividend at the annual general meeting 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 2014. Net current assets decreased from HK\$1,059 million as at 31 December 2013, to HK\$999 million as at 30 June 2014.

As at 30 June 2014, the Group's total cash and cash equivalents amounted to HK\$953 million (31 December 2013: HK\$893 million).

#### Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at HK\$54 million as at 30 June 2014. Total equity of the Group as at 30 June 2014 decrease by 1.3%, to HK\$2,847 million, from HK\$2,885 million as at 31 December 2013. The Group's reserves as at 30 June 2014 amounted to HK\$2,716 million, a 2.1% decrease over the corresponding balance of HK\$2,773 million as at 31 December 2013. This was mainly due to the reclassification of the 2013 final dividend to current liability upon the approval of the 2013 final dividend at the annual general meeting 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 2014. The Group undertook no share repurchases during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### 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 report, 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 0.2% against the Hong Kong Dollar during the six months ended 30 June 2014 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 Dollars, the depreciation of 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 Dollars at the 30 June 2014 spot rate. The spot rate of RMB as of 30 June 2014 has depreciated against the Hong Kong Dollars by 2.5% as compared with the spot rate as at 31 December 2013. This has resulted in a decrease in the foreign currency translation reserve of approximately HK\$68 million (1H2013: increase of HK\$79 million).

#### Liquidity, Financial Resources, Borrowing and Gearing

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

As at 30 June 2014, the Group's total cash and cash equivalents amounted to HK\$953 million (HK\$893 million as at 31 December 2013). The Group had no short-term or long-term debt outstanding as at 30 June 2014 (31 December 2013: 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 in alternate media assets with the aim to increase return to shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Capital Expenditure

For the six months ended 30 June 2014, the Group invested HK\$238 million in the construction of new bus shelters and the acquisition of concession rights, and HK\$5 million on fixed assets, compared to HK\$62 million and HK\$3 million, respectively, for the same period last year. The increase was mainly due to lower level of capital expenditure in the first half of 2013 as a high percentage of our 2013 capital expenditure was incurred in the second half of last year. In addition, in 2014, certain major projects including the Nanjing expansion happened in the first half of the 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 2014.

#### Employment, Training and Development

As at 30 June 2014, the Group had a total of 547 employees, an increase of 9.2% over the same period in 2013. Total wages and salaries increased by 14.7% during the current six-month period 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 2014, a bank balance of RMB1 million (equivalent to approximately HK\$2 million) was frozen in respect of a dispute between a bank and a supplier of the Group in China. 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (continued)

#### Capital Commitments

As at 30 June 2014, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to HK\$97 million (31 December 2013: HK\$13 million).

#### Contingent Liabilities

During the six months ended 30 June 2014, except for a bank balance of RMB1 million frozen in respect of a dispute between a bank and a supplier of the Group in China as disclosed in the "Charges on Group Assets" section above, neither the Company nor any of its subsidiaries has engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or arbitration of material importance is pending or threatened against the Company or any of its subsidiaries.

### OUTLOOK

Management expects the moderate growth environment to continue in line with the overall economy. Advertisers' preference to commit as late as possible is expected to go on.

In July 2014, we introduced our first batch of commercial digital panels aimed at attracting new advertising revenue stream. Management will continue to explore opportunities to expand our digital network to other key cities in China.

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors  
Clear Media Limited  
(Incorporated in Bermuda with limited liability)

### INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Clear Media Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 16 to 36, which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2014 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on those interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young  
*Certified Public Accountants*  
Hong Kong  
5 August 2014

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue	4	819,249	777,786
Cost of sales	6	(496,961)	(493,822)
<b>Gross profit</b>		<b>322,288</b>	<b>283,964</b>
Other income	4	8,730	12,567
Selling and distribution expenses		(86,806)	(82,794)
Administrative expenses		(79,466)	(66,071)
Other expenses		(4,870)	(329)
Finance costs	5	(2,179)	(991)
<b>PROFIT BEFORE TAX</b>	6	<b>157,697</b>	<b>146,346</b>
Income tax expenses	7	(48,906)	(44,097)
<b>PROFIT FOR THE PERIOD</b>		<b>108,791</b>	<b>102,249</b>
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		90,645	86,804
Non-controlling interests		18,146	15,445
		<b>108,791</b>	<b>102,249</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic	8	HK 16.90 cents	HK16.41 cents
Diluted	8	HK 16.79 cents	HK16.21 cents

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	108,791	102,249
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(67,236)	77,584
Income tax effect	–	–
Other comprehensive income for the period, net of tax	(67,236)	77,584
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	41,555	179,833
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	22,167	165,593
Non-controlling interests	19,388	14,240
	41,555	179,833

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	30,419	27,639
Concession rights	11	1,823,591	1,795,201
Long-term prepayments, deposits and other receivables	12	69,203	83,670
<b>Total non-current assets</b>		<b>1,923,213</b>	<b>1,906,510</b>
<b>CURRENT ASSETS</b>			
Trade receivables	13	562,024	487,634
Prepayments, deposits and other receivables	14	135,785	149,112
Due from a related party	15	136,413	149,338
Pledged deposits and restricted cash	16	1,593	31,631
Cash and cash equivalents	16	953,305	892,822
<b>Total current assets</b>		<b>1,789,120</b>	<b>1,710,537</b>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		623,567	583,149
Deferred income		4,282	3,800
Tax payable		81,835	65,066
Dividend payable	9	80,469	–
<b>Total current liabilities</b>		<b>790,153</b>	<b>652,015</b>
<b>NET CURRENT ASSETS</b>		<b>998,967</b>	<b>1,058,522</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,922,180</b>	<b>2,965,032</b>
<b>NON-CURRENT LIABILITIES</b>			
Net deferred tax liabilities		75,381	80,308
<b>Total non-current liabilities</b>		<b>75,381</b>	<b>80,308</b>
<b>Net assets</b>		<b>2,846,799</b>	<b>2,884,724</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Issued capital	17	53,665	53,646
Retained earnings		1,023,963	933,318
Other components of equity		1,691,941	1,759,449
Proposed final dividend	9	–	80,469
<b>Non-controlling interests</b>		<b>2,769,569</b>	<b>2,826,882</b>
		<b>77,230</b>	<b>57,842</b>
<b>Total equity</b>		<b>2,846,799</b>	<b>2,884,724</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Attributable to owners of the parent										
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Contributed surplus HK\$'000	Foreign currency translation reserve HK\$'000	Retained earnings HK\$'000	Proposed dividend HK\$'000	Proposed special dividend HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2013	52,900	795,246	17,327	271,657	617,687	1,440,435	79,350	-	3,274,602	102,826	3,377,428
Profit for the period	-	-	-	-	-	86,804	-	-	86,804	15,445	102,249
Other comprehensive income	-	-	-	-	78,789	-	-	-	78,789	(1,205)	77,584
Total comprehensive income for the period	-	-	-	-	78,789	86,804	-	-	165,593	14,240	179,833
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	(28,861)	(28,861)
Final 2012 dividend declared	-	-	-	-	-	-	(79,350)	-	(79,350)	-	(79,350)
Equity-settled share option arrangements	-	-	1,283	-	-	-	-	-	1,283	-	1,283
Proposed special dividend	-	-	-	-	-	(698,281)	-	698,281	-	-	-
At 30 June 2013 (unaudited)	52,900	795,246	18,610	271,657	696,476	828,958	-	698,281	3,362,128	88,205	3,450,333
As at 1 January 2014	53,646	825,752	8,608	191,188	733,901	933,318	80,469	-	2,826,882	57,842	2,884,724
Profit for the period	-	-	-	-	-	90,645	-	-	90,645	18,146	108,791
Other comprehensive income	-	-	-	-	(68,478)	-	-	-	(68,478)	1,242	(67,236)
Total comprehensive income for the period	-	-	-	-	(68,478)	90,645	-	-	22,167	19,388	41,555
Final 2013 dividend declared	-	-	-	-	-	-	(80,469)	-	(80,469)	-	(80,469)
Share options exercised	19	782	(282)	-	-	-	-	-	519	-	519
Equity-settled share option arrangements	-	-	470	-	-	-	-	-	470	-	470
At 30 June 2014 (unaudited)	53,665	826,534	8,796	191,188	665,423	1,023,963	-	-	2,769,569	77,230	2,846,799

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		157,697	146,346
Adjustments for:			
Write down of concession rights	6	2,932	–
Loss on disposal of concession rights	6	1,707	398
Gain on disposal of items of property, plant and equipment	6	(81)	(69)
Depreciation of property, plant and equipment	6	4,929	4,827
Recognition of a prepaid lease payment		1,266	1,167
Amortisation of concession rights	6	159,295	154,055
Foreign exchange losses, net	6	1,351	7
Other finance costs		822	991
Cash-settled share-based payments	6	3,800	2,175
Equity-settled share option expense	6	470	1,283
Interest income	4	(8,730)	(12,567)
		325,458	298,613
Increase in long-term prepayments, deposits and other receivables		(2,486)	(4,054)
Increase in trade receivables		(86,331)	(78,494)
(Increase)/decrease in prepayments, deposits and other receivables		(12,430)	31,615
Decrease in amounts due from a related party		9,268	39,671
Increase/(decrease) in other payables and accruals		13,848	(13,519)
Increase/(decrease) in deferred income		575	(156)
Cash generated from operations		247,902	273,676
Income taxes paid		(34,632)	(32,364)
Net cash flows from operating activities		213,270	241,312

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment, excluding construction in progress	(5,380)	(3,158)
Proceeds from disposal of property, plant and equipment	81	69
Proceeds from disposal of concession rights	105	125
Purchase of concession rights	(185,396)	(82,064)
Interest received	8,015	21,589
Decrease/(increase) in pledged deposits	29,263	(10,355)
Net cash flows used in investing activities	(153,312)	(73,794)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	519	–
Net cash flows from financing activities	519	–
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>60,477</b>	<b>167,518</b>
Cash and cash equivalents at beginning of period	892,822	1,289,724
Effect of foreign exchange rate changes, net	6	(7)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>953,305</b>	<b>1,457,235</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	953,305	1,457,235

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 1. CORPORATE INFORMATION

Clear Media Limited is an exempted company incorporated in Bermuda on 30 March 2001 under the Companies Act 1981 of Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Group is engaged in the operation of outdoor advertising business. There were no significant changes in the nature of the Group's principal activities during the period.

In the opinion of the directors, the parent and the ultimate holding company of the Company is CC Media Holdings, Inc, which is incorporated in the United States of America.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2014 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 2013.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 2.2 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 2013, except for the adoption of the new or revised standards, interpretation and amendments as of 1 January 2014, noted below:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial instrument: Recognition and measurement — Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC) – Int 21	Levies

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.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 3. SEGMENT INFORMATION

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.

### 4. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue		
Rental from outdoor advertising spaces	819,249	777,786
Other income		
Interest income	8,730	12,567

### 5. FINANCE COSTS

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Other finance costs	2,179	991

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Cost of services provided	145,943	169,559
Operating lease rentals on bus shelters	191,723	170,208
Amortisation of concession rights	159,295	154,055
Cost of sales	496,961	493,822
Auditors' remuneration	1,351	1,306
Depreciation of property, plant and equipment	4,929	4,827
Write-down of concession rights	2,932	–
Loss on disposal of concession rights	1,707	398
Gain on disposal of items of property, plant and equipment	(81)	(69)
Operating lease rentals on buildings	13,074	12,380
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	95,212	83,034
Cash-settled share-based payments	3,800	2,175
Equity-settled share option expenses	470	1,283
Pension scheme contributions	8,484	7,852
	107,966	94,344
Foreign exchange losses, net	1,351	7
Interest income	(8,730)	(12,567)

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 7. TAX

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current — Hong Kong profits tax	–	–
Current — PRC corporate income tax	53,833	53,165
Deferred tax	(4,927)	(9,068)
<b>Total tax charge for the period</b>	<b>48,906</b>	<b>44,097</b>

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 2013: 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 (“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% (2013: 25%) for the head office and its branches on its assessable profits arising in the PRC for the year 2014.

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 for 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, in respect of earnings generated from 1 January 2008. As at 30 June 2014, a deferred tax liability of HK\$29,620,000 (31 December 2013: HK\$26,537,000) was recognised for withholding taxes on the profits of WHA Joint Venture which the Group considers that it is probable to be distributed in the foreseeable future.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 8. 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\$90,645,000 (six months ended 30 June 2013: HK\$86,804,000) and the weighted average number of 536,500,489 (six months ended 30 June 2013: 529,000,500) 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 HK\$90,645,000 (six months ended 30 June 2013: HK\$86,804,000). The weighted average number of ordinary shares used in the calculation is the 536,500,489 (six months ended 30 June 2013: 529,000,500) ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of 3,249,414 (six months ended 30 June 2013: 6,649,000) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

### 9. DIVIDEND

The Board of Directors resolved not to pay any interim dividend to shareholders in respect of the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

A dividend that relates to the year ended 31 December 2013 of HK\$80,468,775 (HK15 cents per share) (2012: HK\$79,350,075 (HK15 cents per share)) was approved at the annual general meeting on Friday, 30 May 2014 and was recorded as a liability in the condensed consolidated financial statements.

### 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group acquired property, plant and equipment at a cost of HK\$5,380,000 (six months ended 30 June 2013: HK\$3,158,000), and incurred construction in progress at a cost of HK\$31,608,000 (six months ended 30 June 2013: HK\$11,696,000).

Property, plant and equipment with a net book value of nil were disposed of by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: Nil), resulting in a net gain on disposal of HK\$81,000 (six months ended 30 June 2013: HK\$69,000).

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 11. CONCESSION RIGHTS

During the six months ended 30 June 2014, the Group had an addition of concession rights at a cost of HK\$234,750,000 (six months ended 30 June 2013: HK\$53,448,000), including concession rights transferred from construction in progress of HK\$28,289,000 (six months ended 30 June 2013: HK\$3,216,000).

Concession rights with a net book value of HK\$4,744,000 were disposed of/written down by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$523,000), resulting in a net loss on disposal of HK\$4,639,000 (six months ended 30 June 2013: HK\$398,000).

### 12. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments amounting to RMB45,809,000 (equivalent to HK\$57,233,000) (31 December 2013: RMB45,809,000 (equivalent to HK\$58,670,000)) 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.

The balance as at 30 June 2014 also included a non-current portion of a prepaid bus shelter lease payment amounting to HK\$11,970,000 (31 December 2013: HK\$11,015,000).

Long-term prepayments amounting to RMB10,920,000 (equivalent to HK\$13,986,000) as at 31 December 2013 was made to an independent third party for the purchase of bus shelters which were delivered to the Group in 2014 and the long-term prepayments were transferred to concession rights.

### 13. 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 diversity of numerous customers and are non-interest-bearing.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 13. TRADE RECEIVABLES (continued)

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 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Current to 90 days	361,659	258,755
91 days to 180 days	165,231	219,493
Over 180 days	55,621	33,169
	582,511	511,417
Less: Provision for impairment of trade receivables	(20,487)	(23,783)
Total trade receivables, net	562,024	487,634

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

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
At 1 January	23,783	32,278
Impairment losses recognised	–	–
Amount written off as uncollectible	(3,296)	(4,358)
At 30 June	20,487	27,920

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 13. TRADE RECEIVABLES (continued)

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 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Neither past due nor impaired	536,502	457,669
Less than 3 months past due	22,897	29,965
Over 3 months past due	2,625	–
	<b>562,024</b>	<b>487,634</b>

Receivables that were neither past due nor impaired relate to a diversity of numerous 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.

### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2014 included a receivable from Hainan White Horse Advertising Co., Ltd. ("Hainan White Horse"), the non-controlling shareholder of the WHA Joint Venture, amounting to HK\$75,717,000 (31 December 2013: HK\$70,560,000), which is unsecured, interest-free and has no fixed terms of repayment.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 15. DUE FROM A RELATED PARTY

An aging analysis of the amounts due from Guangdong White Horse Advertising Company Limited ("GWH") as at the end of the reporting period, based on revenue recognition date, is as follows:

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Current to 90 days	87,531	73,290
91 days to 180 days	48,882	64,623
Over 180 days	–	11,425
	<b>136,413</b>	<b>149,338</b>

The balance with GWH is unsecured, interest-free and is repayable on demand.

### 16. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

As at 30 June 2014, the Group's cash and bank balances and pledged deposits denominated in Renminbi ("RMB") amounted to HK\$802,246,000 (31 December 2013: HK\$814,541,000). 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 2014, the Group maintained less than 20% of the Group's total bank balances in any one bank.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 16. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH (continued)

As at 30 June 2014, a bank balance of RMB1,275,000 (equivalent to approximately HK\$1,593,000) was frozen in respect of a dispute between a bank and a supplier of the Group in China. 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.

### 17. ISSUED CAPITAL

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Shares		
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
536,648,500 ordinary shares of HK\$0.10 each (31 December 2013: 536,458,500)	53,665	53,646

During the period, the increase in share capital represented the subscription rights attaching to 190,000 share options exercised at the subscription price of HK\$2.73 per share, resulting in the issue of 190,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$519,000. An amount of HK\$282,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

### 18. RESERVES

The amount of the Group's reserves and the movements therein for the current period and prior period are presented in the condensed consolidated statement of changes in equity on page 19 of the report.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 19. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group had the following transactions with related parties during the period, which fall under the definition of "Continuing connected transactions" under Chapter 14A of the Listing Rules.

	Notes	For the six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Agency commission paid to GWH	(i)	9,719	5,290
Sales to GWH	(ii)	137,490	89,955
Bus shelter maintenance and display fees	(iii)	20,405	31,708
Creative services fees payable to GWH	(iv)	1,776	1,885

Notes:

- (i) The agency commission paid to GWH was based on the standard percentage of gross sales rental revenue for outdoor advertising spaces payable to other major third party agencies used by the Group. On 11 March 2013, the WHA Joint Venture entered into a three-year framework agreement with GWH for the years 2013, 2014 and 2015 on substantially the same terms as the framework agreements previously entered into between the WHA Joint Venture and GWH. On 30 May 2014, the WHA Joint Venture entered into the Supplemental Framework Agreement with GWH pursuant to which (i) the maximum amounts of gross advertising sales from GWH under the Framework Agreement for the two years ending 31 December 2014 and 31 December 2015 will be increased from HK\$285,000,000 and HK\$315,000,000 to HK\$374,000,000 and HK\$404,000,000 respectively; and (ii) the maximum amounts of the advertising commission payable to GWH under the Framework Agreement for the two years ending 31 December 2014 and 31 December 2015 will be increased from HK\$23,000,000 and HK\$25,000,000 respectively to HK\$30,000,000 and HK\$32,500,000 respectively.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 19. RELATED PARTY TRANSACTIONS (continued)

#### (a) (continued)

Notes: (continued)

- (i) GWH is a related party of the Company because Mr. Han Zi Dian is the brother of Mr. Han Zi Jing, an executive director of the Company, and Mr. Han Zi Dian is able to exercise influence over the management and day-to-day operations as director and general manager of GWH and controls the composition of a majority of the board of directors of GWH with his indirect interest of 14.2% in GWH.
- (ii) The sales to GWH were made according to published prices and conditions similar to those offered to other major customers and advertising agencies of the Group.
- (iii) On 28 January 2014, WHA Joint Venture entered into a Framework Maintenance Services Agreement with White Horse Holding in place of the maintenance services arrangements between the WHA Joint Venture and White Horse Holding. The Framework Maintenance Services Agreement is entered into for a fixed term and will expire on 31 December 2016.

White Horse Holding is a related party of the Company because Mr. Han Zi Dian became interested in more than 50% of the voting power of White Horse Holding following a capital injection into White Horse Holding in November 2009. Mr. Han Zi Dian was a non-executive director of the Company from April 2001 to November 2012 and is the brother of Mr. Han Zi Jing, an executive director of the Company. As such, White Horse Holding has been an associate of a director since November 2009, and hence a connected person of the Company under Chapter 14A of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

Under the Framework Maintenance Services Agreement, the WHA Joint Venture would pay a maintenance fee consisting of a predetermined cost element and an incentive payment to White Horse Holding for the services provided by its branches. The same basis for calculating payment of the maintenance fee is applicable to all service providers of the Group including third party service providers.

Under the Framework Maintenance Services Agreement, the maintenance fees payable by WHA Joint Venture to White Horse Holding for the financial year ending 31 December 2014, 2015 and 2016 shall not exceed HK\$55,000,000, HK\$60,000,000 and HK\$65,000,000, respectively. Maintenance fees shall be settled by the WHA Joint Venture on a monthly basis before the tenth day of every month.

- (iv) On 28 January 2014 the WHA Joint Venture entered into a creative services agreement with GWH effective from 1 January 2014 to 31 December 2016, whereby GWH agreed to provide creative design services for poster, sales and marketing materials and company profiles to the Group. In the opinion of the directors, these transactions were entered into on terms similar to those available from independent third parties.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 19. RELATED PARTY TRANSACTIONS (continued)

#### (b) Outstanding balances with a related party

The Group had outstanding receivables from GWH of HK\$136,413,000 (31 December 2013: HK\$149,338,000), as at the end of the reporting period. The balance is unsecured, interest-free and has no fixed terms of repayment.

#### (c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Short-term employee benefits	11,175	9,312
Equity-settled share option expenses	258	658
Cash-settled share-based payments	3,800	2,175
Pension scheme contributions	62	59
<b>Total compensation paid to key management personnel</b>	<b>15,295</b>	<b>12,204</b>

### 20. COMMITMENTS

#### (a) Capital commitments

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Contracted, but not provided for: The construction of bus shelters for which concession rights are held	97,396	13,480

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

### 20. COMMITMENTS (continued)

#### (b) Commitments under operating leases

The Group leases certain of its office buildings and concession rights under operating lease arrangements. Leases for office buildings are negotiated for terms ranging from 1 to 8 years, and those for concession rights are negotiated for terms ranging from 5 to 15 years.

At 30 June 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Within one year	398,262	338,562
In the second to fifth year, inclusive	1,205,246	1,084,375
After five years	1,329,670	1,376,938
	2,933,178	2,799,875

### 21. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 5 August 2014.

## SUPPLEMENTARY INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2014, the interests and short positions of the directors, the chief executive or their associates in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Ltd. (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Model Code"), were as follows:

#### A. Long Positions in Ordinary Shares of the Company as at 30 June 2014:

Name of director	Number of shares held, capacity and nature of interest				Total	% of the Company's issued share capital
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation (Note)	Beneficiary of a trust (Note)		
Peter Cosgrove	-	-	-	250,000	250,000	0.05%
Han Zi Jing	-	-	7,700,000	-	7,700,000	1.43%
Zhang Huai Jun	349,000	-	-	-	349,000	0.07%

Note: The 250,000 shares are held by Media General Superannuation Fund of which Mr. Cosgrove is the sole beneficiary.

The 7,700,000 shares are held by Outdoor Media China, Inc. ("OMC"), a company incorporated in Western Samoa of Offshore Chambers. As at 30 June 2014, Mr. Han Zi Jing held approximately 98% of the issued share capital of Golden Profits Consultants Limited, which is the beneficial holder of 100% of the shares in OMC. The effective interest of Mr. Han in OMC is therefore 98%.

The interests of the directors in the share options of the Company are separately disclosed on pages 42 to 47.

## SUPPLEMENTARY INFORMATION

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)****B. Long Positions in the Shares of Clear Channel Outdoor Holdings, Inc. as at 30 June 2014: (Note 1)**

Number of shares held, capacity and nature of interest: shares

Name of director	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	% of issued share capital
William Eccleshare	515,468	-	-	-	515,468	1.16
Jonathan Bevan (Note 2)	52,643	-	-	-	52,643	0.12
Mark Thewlis	29,630	-	-	-	29,630	0.07

1. Clear Channel Outdoor Holdings, Inc. is an indirect holding company of the Company.
2. Jonathan Bevan resigned as a non-executive director of the Company with effect from 15 July 2014.

**C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2014:**

Name of director	Date of grant	Number of outstanding options as at 30 June 2014	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
William Eccleshare	10/09/2009	29,455	10/09/2009 – 10/09/2019	US\$4.05
	10/09/2009	33,336	10/09/2010 – 10/09/2019	US\$4.05
	10/09/2009	60,007	10/09/2011 – 10/09/2019	US\$4.05
	10/09/2009	40,007	10/09/2012 – 10/09/2019	US\$4.05
	10/09/2009	40,008	10/09/2013 – 10/09/2019	US\$4.05
	10/09/2010	15,895	10/09/2011 – 10/09/2020	US\$4.31
	10/09/2010	15,896	10/09/2012 – 10/09/2020	US\$4.31
	10/09/2010	15,895	10/09/2013 – 10/09/2020	US\$4.31

## SUPPLEMENTARY INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

## C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2014: (continued)

Name of director	Date of grant	Number of outstanding options as at 30 June 2014	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
	10/09/2010	15,897	10/09/2014 – 10/09/2020	US\$4.31
	13/12/2010	5,120	10/09/2011 – 13/12/2020	US\$7.66
	13/12/2010	5,120	10/09/2012 – 13/12/2020	US\$7.66
	13/12/2010	5,120	10/09/2013 – 13/12/2020	US\$7.66
	21/02/2011	22,500	21/02/2012 – 21/02/2021	US\$8.97
	21/02/2011	22,500	21/02/2013 – 21/02/2021	US\$8.97
	21/02/2011	22,500	21/02/2014 – 21/02/2021	US\$8.97
	21/02/2011	22,500	21/02/2015 – 21/02/2021	US\$8.97
	24/02/2010	15,523	24/02/2011 – 24/02/2020	US\$3.48
	24/02/2010	15,524	24/02/2012 – 24/02/2020	US\$3.48
	24/02/2010	15,523	24/02/2013 – 24/02/2020	US\$3.48
	24/02/2010	15,524	24/02/2014 – 24/02/2020	US\$3.48
	26/03/2012	22,500	26/03/2013 – 26/03/2022	US\$7.90
	26/03/2012	22,500	26/03/2014 – 26/03/2022	US\$7.90
	26/03/2012	22,500	26/03/2015 – 26/03/2022	US\$7.90
	26/03/2012	22,500	26/03/2016 – 26/03/2022	US\$7.90
Jonathan Bevan (Note 1)	23/05/2007	6,625	23/05/2008 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2009 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2010 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2011 – 23/05/2017	US\$22.94
	16/05/2008	13,750	16/05/2009 – 16/05/2018	US\$14.55
	16/05/2008	13,750	16/05/2010 – 16/05/2018	US\$14.55
	16/05/2008	13,750	16/05/2011 – 16/05/2018	US\$14.55
	16/05/2008	13,750	16/05/2012 – 16/05/2018	US\$14.55
	06/02/2009	26,879	06/02/2010 – 06/02/2019	US\$3.05
	06/02/2009	26,879	06/02/2011 – 06/02/2019	US\$3.05

## SUPPLEMENTARY INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

## C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2014: (continued)

Name of director	Date of grant	Number of outstanding options as at 30 June 2014	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
	06/02/2009	26,880	06/02/2012 – 06/02/2019	US\$3.05
	06/02/2009	26,881	06/02/2013 – 06/02/2019	US\$3.05
	24/02/2010	15,863	24/02/2011 – 24/02/2020	US\$3.48
	24/02/2010	15,863	24/02/2012 – 24/02/2020	US\$3.48
	24/02/2010	15,863	24/02/2013 – 24/02/2020	US\$3.48
	24/02/2010	15,862	24/02/2014 – 24/02/2020	US\$3.48
	21/02/2011	16,000	21/02/2012 – 21/02/2021	US\$8.97
	21/02/2011	16,000	21/02/2013 – 21/02/2021	US\$8.97
	21/02/2011	16,000	21/02/2014 – 21/02/2021	US\$8.97
	21/02/2011	16,000	21/02/2015 – 21/02/2021	US\$8.97
	26/03/2012	25,000	26/03/2013 – 26/03/2022	US\$7.90
	26/03/2012	25,000	26/03/2014 – 26/03/2022	US\$7.90
	26/03/2012	25,000	26/03/2015 – 26/03/2022	US\$7.90
	26/03/2012	25,000	26/03/2016 – 26/03/2022	US\$7.90
	10/04/2013	3,240	10/04/2014 – 10/04/2023	US\$7.53
	10/04/2013	3,241	10/04/2015 – 10/04/2023	US\$7.53
	10/04/2013	3,241	10/04/2016 – 10/04/2023	US\$7.53
	10/04/2013	3,241	10/04/2017 – 10/04/2023	US\$7.53
	04/04/2014	3,240	04/04/2015 – 04/04/2024	US\$8.73
	04/04/2014	3,241	04/04/2016 – 04/04/2024	US\$8.73
	04/04/2014	3,241	04/04/2017 – 04/04/2024	US\$8.73
	04/04/2014	3,241	04/04/2018 – 04/04/2024	US\$8.73

## SUPPLEMENTARY INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

## C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2014: (continued)

Name of director	Date of grant	Number of outstanding options as at 30 June 2014	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
Mark Thewlis	23/05/2007	6,625	23/05/2008 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2009 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2010 – 23/05/2017	US\$22.94
	23/05/2007	6,625	23/05/2011 – 23/05/2017	US\$22.94
	16/05/2008	13,250	16/05/2009 – 16/05/2018	US\$14.55
	16/05/2008	13,250	16/05/2010 – 16/05/2018	US\$14.55
	16/05/2008	13,250	16/05/2011 – 16/05/2018	US\$14.55
	16/05/2008	13,250	16/05/2012 – 16/05/2018	US\$14.55
	24/02/2010	11,897	24/02/2014 – 24/02/2020	US\$3.48
	21/02/2011	13,750	21/02/2012 – 21/02/2021	US\$8.97
	21/02/2011	13,750	21/02/2013 – 21/02/2021	US\$8.97
	21/02/2011	13,750	21/02/2014 – 21/02/2021	US\$8.97
	21/02/2011	13,750	21/02/2015 – 21/02/2021	US\$8.97
	26/03/2012	13,750	26/03/2013 – 26/03/2022	US\$7.90
	26/03/2012	13,750	26/03/2014 – 26/03/2022	US\$7.90
	26/03/2012	13,750	26/03/2015 – 26/03/2022	US\$7.90
26/03/2012	13,750	26/03/2016 – 26/03/2022	US\$7.90	
Teo Hong Kiong	11/11/2005	2,500	11/11/2010 – 11/11/2015	US\$11.91

- Jonathan Bevan resigned as a non-executive director of the Company with effect from 15 July 2014.

Save as disclosed above, none of the directors or the chief executive had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUPPLEMENTARY INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above and "Share Option Schemes" below, at no time during the six months ended 30 June 2014 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director, or his or her respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SHARE OPTION SCHEMES

Prior to 28 November 2008, the Company operated, among others, a share option scheme (the "Old Scheme") for the purpose of providing incentives and rewards to eligible participants who contributed to the Group's operations. The Old Scheme became effective on 28 November 2001 and expired on 28 November 2008, after then no further options had been granted under the Old Scheme. Options which were granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the last remaining batch of such options expired on 29 June 2014. Accordingly, there are no outstanding options under the Old Scheme.

At the annual general meeting of the Company on 13 May 2009, an ordinary resolution was passed to approve and adopt a new share option scheme (the "New Scheme"). The purpose of the New Scheme is to enable the Company to grant options to eligible participants of the Company or any subsidiaries of the Company, as determined by the board of directors in recognition of their contributions to the Group. Under the New Scheme, the directors may, at their discretion, offer to grant options to any employees, directors or consultants of any company in the Group. The New Scheme became effective on 19 May 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

## SUPPLEMENTARY INFORMATION

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme shall be subject to a maximum limit of 10% of the shares in issue as at 13 May 2009 (excluding shares which may be issued upon exercise of options granted under the Old Scheme, whether such options are exercised, outstanding, cancelled or lapsed), unless the Company obtains an approval from shareholders in a general meeting to refresh such 10% limit in accordance with the Listing Rules. Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating such 10% limit. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company and/or any of its subsidiaries must not exceed 30% of the shares of the Company in issue from time to time, and no options may be granted under the New Scheme or any other share option schemes of the Company and/or any of its subsidiaries if that will result in such 30% limit being exceeded.

No option may be granted to any person such that the total number of shares issued and to be issued upon the exercise of options granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the issued share capital of the Company from time to time.

An option may be exercised in accordance with the respective terms of the New Scheme or Old Scheme at any time during the option period. The option period was determined by the board of directors and communicated to each grantee. The board of directors may provide restrictions on the period during which the options may be exercised. There are no performance targets which must be achieved before any of the options can be exercised except for the share options granted on 29 June 2007. Share options granted on 29 June 2007 (the "2007 Options") would not become vested unless the Company has achieved an average annual earnings per share growth of 5% each year in the first three full financial years after the grant date. As the vesting condition has not been met, the share option expenses of the 2007 Options recognised in previous years amounting to HK\$20 million were reversed in 2010.

## SUPPLEMENTARY INFORMATION

The subscription price for the Company's shares under the New Scheme and the Old Scheme would be a price determined by the board of directors and notified to each grantee. The subscription price would be the highest of: (i) the nominal value of a share; (ii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. An option shall be deemed to have been granted and accepted by an eligible participant (as defined in the respective schemes) and to have taken effect when the acceptance form as described in the respective schemes is completed, signed and returned by the grantee with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant.

As at 30 June 2014, the aggregate number of shares issuable under share options granted under the New Scheme was 5,052,000, which represented approximately 0.94% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,052,000 additional ordinary shares of HK\$0.10 each in the Company and proceeds, before relevant share issue expenses, of approximately HK\$13,791,960.

The maximum number of shares issuable under share options which may be granted to each eligible participant under the New Scheme within any 12-month period up to the date of the latest grant is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

## SUPPLEMENTARY INFORMATION

The share options granted and outstanding under the New Scheme and Old Scheme for a consideration of HK\$1.00 per grant are set out below:

Name or category of participant	Type of share option scheme	Number of share options						Date of grant of share options*	Exercise period	Exercise price per share** HK\$	Price of the Company's shares***		
		At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	At the end of the period				At grant date of options HK\$	Immediately before the exercise date HK\$	At exercise date of options HK\$
Director													
Han Zi Jing	The Old Scheme****	1,500,000	-	-	(1,500,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	-	-	-	-	-	-	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	332	-	-	-	-	332	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	866,668	-	-	-	-	866,668	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	-	-
		<u>2,367,000</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>867,000</u>						
Teo Hong Kiong	The Old Scheme****	800,000	-	-	(800,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	500,000	-	-	-	-	500,000	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	500,000	-	-	-	-	500,000	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	500,000	-	-	-	-	500,000	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	-	-
		<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>-</u>	<u>1,500,000</u>						
Zhang Huai Jun	The Old Scheme****	800,000	-	-	(800,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	-	-	-	-	-	-	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	666	-	-	-	-	666	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	533,334	-	-	-	-	533,334	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	-	-
		<u>1,334,000</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>-</u>	<u>534,000</u>						

## SUPPLEMENTARY INFORMATION

Name or category of participant	Type of share option scheme	Number of share options						Date of grant of share options*	Exercise period	Exercise price per share** HK\$	Price of the Company's shares***		
		At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	At the end of the period				Immediately before the exercise date HK\$	At exercise date of options HK\$	
Director (continued)													
Zou Nan Feng	The Old Scheme****	400,000	-	-	(400,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	-	-	-	-	-	-	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	-	-	-	-	-	-	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	400,000	-	-	-	-	400,000	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	-	-
		800,000	-	-	(400,000)	-	400,000						
Other													
Member of senior management and other employees of the Group	The Old Scheme****	2,400,000	-	-	(2,400,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	-	-	-	-	-	-	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	7,666	-	(6,666)	-	-	1,000	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	7.53	7.63
	The New Scheme	1,933,334	-	(183,334)	-	-	1,750,000	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	7.53	7.63
		4,341,000	-	(190,000)	(2,400,000)	-	1,751,000						
In aggregate	The Old Scheme****	5,900,000	-	-	(5,900,000)	-	-	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	-	-
	The New Scheme	500,000	-	-	-	-	500,000	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	-	-
	The New Scheme	508,664	-	(6,666)	-	-	501,998	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	7.53	7.63
	The New Scheme	4,233,336	-	(183,334)	-	-	4,050,002	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	7.53	7.63
		11,142,000	-	(190,000)	(5,900,000)	-	5,052,000						

## SUPPLEMENTARY INFORMATION

- \* The vesting period of the share options is from the date of grant until the commencement of the exercise period except for the 2007 Options which would not become vested until the end of the third year after the grant date unless the Company achieved an average annual earnings per share growth of 5% each year for the first three full financial years after the grant date. The vesting condition was not met and the share option expenses of the 2007 Options recognised in previous years amounting to HK\$20 million were reversed in 2010.
- \*\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure line.
- \*\*\*\* The last remaining batch of options granted under the Old Scheme expired on 29 June 2014. Accordingly, there are no outstanding options under the Old Scheme.

During the six months ended 30 June 2014, no share options were granted by the Company.

Apart from the foregoing, at no time during the six months ended 30 June 2014 was the Company, or any of its subsidiaries, a party to any arrangement to enable the directors or any of their respective spouse or minor children to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SUPPLEMENTARY INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2014, the following interests and short positions of 5% or more in the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long Positions:

Name	Note	Number of shares held	Percentage of the Company's issued share capital
Clear Channel KNR Neth Antilles NV	1	273,140,500	50.90%
International Value Advisers, LLC	2	105,683,770	19.69%

Notes:

- As at 30 June 2014, Clear Channel KNR Neth Antilles NV was an indirect non-wholly owned subsidiary of CC Media Holdings, Inc., in which one-third or more of the voting was indirectly held by each of Bain Capital Investors, LLC and Thomas H Lee Advisors LLC.
- International Value Advisers, LLC notified the Stock Exchange that as at 13 December 2012, 105,683,770 shares of the Company were held by it.

### 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 and a Directors' Securities Dealing Committee with defined terms of reference.

## SUPPLEMENTARY INFORMATION

Corporate governance practices adopted by the Group during the period from 1 January 2014 to 30 June 2014 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 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 2014 to 30 June 2014, 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 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 2014. 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.

## FACTSHEET AT A GLANCE

Listing: Main Board of The Stock Exchange of Hong Kong Limited

Listing Date: 19 December 2001

Ordinary Shares:

- Shares in issue as at 30 June 2014 536,648,500 shares

Nominal Value: HK\$0.10 per share

Market Capitalization:

- as at HK\$7.43 per share HK\$3,987 million  
(based on closing price on 30 June 2014) (approximately  
US\$513 million)

Stock Code:

- Hong Kong Stock Exchange 100
- Reuters 0100.HK
- Bloomberg 100 HK

Financial Year End: 31 December

Business Area: Outdoor Media

## CORPORATE INFORMATION

### **DIRECTORS:**

#### *Executive Directors:*

Mark Thewlis (*Executive Chairman*)

Han Zi Jing (*Chief Executive Officer*)

Teo Hong Kiong (*Chief Financial Officer*)

Zhang Huai Jun (*Chief Operating Officer*)

#### *Non-Executive Directors:*

William Eccleshare

Peter Cosgrove

Zhu Jia

Cormac O'Shea (Note 1)

#### *Independent Non-Executive Directors:*

Desmond Murray

Leonie Ki Man Fung

Wang Shou Zhi

Thomas Manning

#### *Alternate Director:*

Zou Nan Feng (alternate to Zhang Huai Jun)

Company Secretary: Jeffrey Yip

Head Office: Room 1202  
12th Floor  
The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

Registered Office: Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

1. Cormac O'Shea was re-designated as a non-executive director of the Company with effect from 15 July 2014.

## CORPORATE INFORMATION

Legal Advisors: *Hong Kong and United States Law*  
Sullivan & Cromwell

*PRC Law*  
King & Wood PRC Lawyers

*Bermuda Law*  
Conyers Dill & Pearman

Auditors: Ernst & Young

Principal Bankers: HSBC  
Shanghai Pudong Development Bank

### **PRINCIPAL SHARE REGISTRAR:**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### **HONG KONG SHARE REGISTRAR:**

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **AUTHORISED REPRESENTATIVES:**

Teo Hong Kiong  
Jeffrey Yip

### **INVESTOR RELATIONS CONTACT:**

Jeffrey Yip

### **PR CONSULTANT:**

iPR Ogilvy & Mather

### **CORPORATE WEBSITES:**

[www.clear-media.net](http://www.clear-media.net)  
[www.irasia.com/listco/hk/clearmedia](http://www.irasia.com/listco/hk/clearmedia)