

CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 100)



TRADING STATEMENT – ISSUE OF PRICE SENSITIVE INFORMATION UPDATE ON VOLUNTARY ANNOUNCEMENT ON LED SCREENS ADVERTISING SALES MANAGEMENT CONTRACT

The Board wishes to inform the market of two principal factors which are expected to affect the financial results of the Group for the second half of 2008. The recent deterioration in global economic conditions and the tainted milk scandal in the People's Republic of China have resulted in cancellation of sales orders in the amount of approximately HK\$50 million in the second half of 2008. Further, as a result of the restructuring of the Company's non-core businesses in the light of changes in market conditions, a one-time non-cash restructuring charge of approximately HK\$14 million will be incurred in the second half of 2008.

Due to changes in the operating environment, the Company decided that it was in the interests of the Group as a whole to terminate the LED screens advertising sales management contract with BMIC and the cooperation arrangements thereunder. The Company expects to recover the total investment which WHA Joint Venture has paid pursuant thereto in full on or before 18 May 2010.

The board of directors (the **Board**) of Clear Media Limited (the **Company** or **Clear Media**; together with its subsidiaries, the **Group**) wishes to inform the market of two principal factors which are expected to affect the financial results of the Group for the second half of 2008. The Board would also like to take the opportunity to update the market on developments relating to the LED screens advertising sales management contract referred to in the Company's announcement dated 2 April 2007.

CANCELLATION OF SALES ORDERS

Amidst the recent deterioration in global economic conditions and the tainted milk scandal in the People's Republic of China, the Company has noted a more cost-conscious market behaviour of certain advertisers; and the Company has experienced a related estimated cancellation of sales orders of approximately HK\$50 million in the second half of 2008.

Clear Media will remain vigilant of the changing market dynamics and continue to pursue a proactive sales approach as part of its long term growth strategy in order to maintain its leading market position in the China outdoor advertising market.

* for identification purpose only

RESTRUCTURING OF NON-CORE BUSINESSES

In light of changes in market conditions, the Company is undergoing a restructuring of its non-core businesses, including its unipole and point-of-sale operations.

As part of such restructuring, the Company will terminate its entire point-of-sale advertising business and its unipole operations along the Beijing-Shijiazhuang and Shanghai-Nanjing highways by the end of 2008. As a result, a one-time non-cash restructuring charge of approximately HK\$14 million will be incurred in the second half of 2008.

Management believes that such restructuring will allow the Company to concentrate on its core bus shelter and bus body businesses.

UPDATE ON MORGAN CENTRE LED SCREENS OPERATION

Reference is made to the Company's voluntary announcement dated 2 April 2007 headed "LED Screens Advertising Sales Management Contract" in relation to an agreement entered into between WHA Joint Venture (as defined in the 2 April 2007 announcement) and Beijing Panku Investment Co., Ltd. (北京盤古氏投資有限公司) (formerly known as Beijing Morgan Investment Company, Limited (北京摩根投資有限公司) (which has subsequently changed its name to Beijing Pangu Investment Co., Ltd. (北京盤古氏投資有限公司)) (**BMIC**)) on 2 April 2007 (the **Previous Agreement**). Due to changes in the operating environment, the Company decided that it was in the interests of the Group as a whole to terminate the Previous Agreement and the cooperation arrangements thereunder. To this end, WHA Joint Venture entered into an agreement with BMIC on 19 November 2008 (the **New Agreement**), pursuant to which (among other things), BMIC has agreed to repay to WHA Joint Venture an amount equal to the total investment paid by WHA Joint Venture pursuant to the Previous Agreement, namely an aggregate amount of RMB133,950,840 (approximately HK\$151,000,000), and that such amount shall be owed by BMIC to WHA Joint Venture as a debt (the **BMIC Receivable**). With the intention of securing the payment by BMIC to WHA Joint Venture of the BMIC Receivable, pursuant to the New Agreement, certain property interests will be assigned to WHA Joint Venture, unless (among other things) BMIC repays the BMIC Receivable to WHA Joint Venture in full on or before 18 May 2010. The parties to the New Agreement have agreed that the estimated value of such property interests is equivalent to the BMIC Receivable.

By order of the Board of
CLEAR MEDIA LIMITED
Lisa Cheong
Company Secretary

Hong Kong, 22 December 2008

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

Executive Directors:

Mr. Han Zi Jing
Mr. Teo Hong Kiong
Mr. Zhang Huai Jun

Independent Non-executive Directors:

Mr. Desmond Murray
Mr. Wang Shou Zhi
Ms. Leonie Ki Man Fung

Non-executive Directors:

Mr. Steven Yung
Mr. Mark Mays
Mr. Paul Meyer
Mr. Peter Cosgrove
Mr. Mark Thewlis
Mr. Han Zi Dian
Mr. Jingsheng Huang

Alternate Directors:

Mr. Jonathan Bevan (Alternate to
Mr. Mark Mays, Mr. Paul Meyer
and Mr. Mark Thewlis)
Mr. Zou Nan Feng (Alternate to
Mr. Zhang Huai Jun and Mr. Han Zi Dian)