

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA OUTDOOR MEDIA GROUP LIMITED

中國戶外媒體集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00254)

PROFIT WARNING AND VOLUNTARY ANNOUNCEMENT ENTERING INTO CO-OPERATION AGREEMENT

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected the unaudited consolidated results of the Group for the year ended 30 June 2010 to show the consolidated gross loss as compared to the consolidated gross profit for the year ended 30 June 2009 which is expected to be mainly due to (i) the Group having signed several advertising contracts with different enterprises in the PRC which advertisement medium are located in Beijing but as at the date hereof, the Group has not been able to secure any order to place advertisement in the medium provided by such enterprises; and (ii) the growth in the PRC advertising industry was not as good as anticipated. Moreover, the Group is also expected to record a net loss for the year ended 30 June 2010 which might be lower than that as compared to a net loss for the year ended 30 June 2009.

The Company is still in the process of finalizing the Group's annual results for the year ended 30 June 2010. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the latest management accounts of the Company and its subsidiaries currently available and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Further details of the Group's performance will be disclosed as and when the annual results of the Group for the year ended 30 June 2010 are announced.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by the Company.

This announcement is made by the Company on a voluntary basis. The purpose of this announcement is to keep the Shareholders and potential investors of the Company informed of the latest business development of the Group.

The Group has entered into several advertising contracts (collectively the “Contracts”) with several different clients (collectively the “Clients”) respectively during the year ended 30 June 2010.

Under the Contracts, the Clients have agreed to appoint the Group to place advertisements in different locations in the city of Shanghai. The Contracts are for terms ranging from three months to two years. The Group is expected to receive a respectable income. Due to The World Exposition 2010 (“Expo 2010”) is held in the city of Shanghai, it is expected that the securing of the Contracts may bring forth new business opportunities for the Group for sustainable growth and may further strengthen the advertising business of the Group. The strategic location of Shanghai may also attract more opportunities for the Group’s advertising business during and after the Expo 2010.

To the best of the Director’s knowledge, information and belief and having made all reasonable enquiries, the Clients and their ultimate beneficial owners are Independent Third Parties.

The Board is of the view that the transactions contemplated under the Contracts are of a revenue nature, on normal commercial terms which are fair and reasonable and in the interest of the Company and Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expression have the following meaning:

- | | |
|---------------------------|---|
| “Board” | means the board of Directors of the Company for the time being; |
| “Company” | means the China Outdoor Media Group Limited, a company incorporated in Hong Kong with limited liability and whose Shares are listed and traded on the main board of the Stock Exchange; |
| “Director(s)” | means the directors of the Company for the time being; |
| “Group” | means the Company and its subsidiaries; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC; |
| “Independent Third Party” | has the same meaning as ascribed to it under the Listing Rules; |

“Listing Rules”	means the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“PRC”	means the People’s Republic of China;
“Shareholder(s)”	means holder(s) of the shares of the Company;
“Stock Exchange”	means the Stock Exchange of Hong Kong Limited.

By order of the Board
China Outdoor Media Group Limited
Lau Chi Yuen, Joseph
Director

Hong Kong, 23 July 2010

As at the date of this announcement, the executive Directors are Mr. Lau Chi Yuen, Joseph, Mr. Lu Liang, Mr. Ng Yan and Mr. Tang Lap Chin, Richard and the independent non-executive Directors are Mr. Cheng Sheung Hing, Mr. Cheng Kwong Choi, Alexander, and Mr. Law Tai Yan.