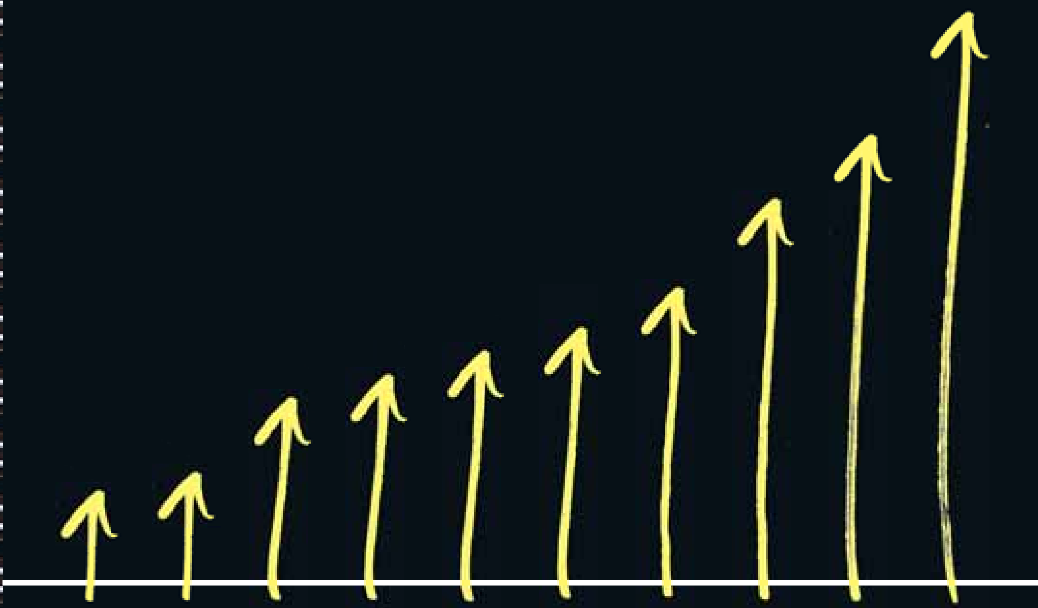
CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

Stock Code: 100

Taking our success story into the future



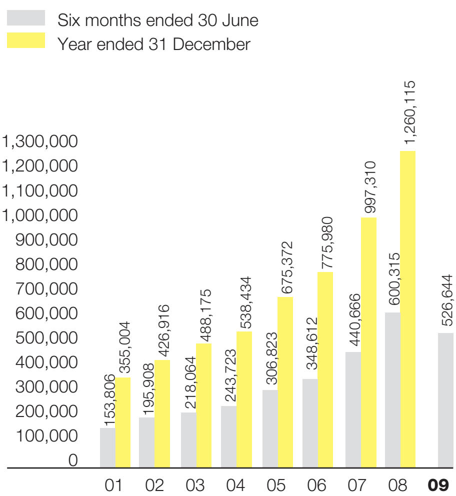
Interim Report 2009

Contents

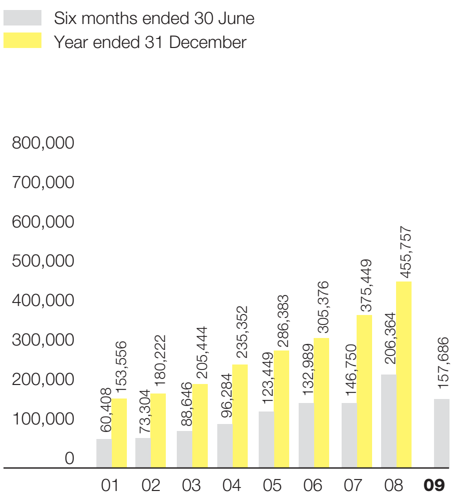
Financial Highlights

- Group turnover decreased by 12% to HK$527 million
- Direct operating costs decreased by 3%
- Selling, general and administrative expenses decreased by 13%
- EBITDA decreased by 24% to HK$158 million
- Net profit decreased by 58% to HK$28 million
- Basic earnings per share decreased by 58% to HK5.43 cents

Turnover (HK$'000)



EBITDA (HK$'000)



Management Discussion and Analysis

Industry Review

The advertising industry in China experienced a slowdown during the first half of 2009 as the global financial crisis continued to have an impact on China's economy.

Growth was down, unemployment was up. Some advertisers with a very high level of advertising spend from the beginning of 2008 through to the Beijing Olympics in August scaled down their advertising spend in the first half of 2009. Following the tainted milk scandal last year, the advertising spend of major milk-product companies has yet to return to its previous level.

Exacerbating the already challenging operating environment further, competition in the industry remained intense as small- to medium-sized players adopted aggressive pricing strategies in some cities.

Caution and budget conservatism have therefore prevailed among advertisers who are more willing to commit to short-term contracts on a monthly basis than to annual contracts. At the end of July 2009, our order book on-hand has reached 75% of our full-year sales target, softer than the 85% we had in 2008.

In preparation for the 2010 World Expo, the Shanghai government has heightened its effort in imposing tighter regulations that leads to a clean-up in the outdoor-advertising market. Except for a limited number of formats – which include bus shelters – most outdoor street furniture has been removed by the government. We will continue to work with local governments to offer our full cooperation under the official policies with a goal of minimising any impact on the Group's operation. Over the long run, we believe these policies will be beneficial to the overall outdoor-advertising industry in the PRC, leading to further market consolidation and enabling the Group to strengthen its leading position.

Operation Review

Core Bus Shelter Advertising Business:

As at 30 June 2009, Clear Media operated the most extensive standardised bus shelter advertising network in China, with a total of over 32,000 12-sheet equivalent panels spanning 30 major cities. As a result of the economic downturn, turnover of our core bus shelter advertising business decreased by 9% to HK$490 million for the six months ended 30 June 2009, from HK$539 million for the same period last year. Average sale price ("ASP") decreased by 7% and occupancy rate dropped to 55% (1H08: 60%). On the other hand, the average number of bus shelter panels available for sale, on a time-weighted basis, increased by 7% to 30,849 panels (1H2008: 28,852 panels), driven mainly by the additional bus shelters added in major cities, such as Beijing, Shenzhen and Hangzhou.

The top three industries that contribute to Clear Media's turnover were beverages, telecommunications, and cosmetics and toiletries. The increase in advertising spend by non-Olympic sponsors in this post-Olympic year, and the roll-out of 3G mobile services in China, have helped to boost orders from the beverages and telecommunications sectors.

In view of the market slowdown, the Group has been cautious in acquiring concession rights and building bus shelters in the first half of 2009. As at 30 June 2009, the total number of bus shelter advertising panels remained largely unchanged compared to December 2008 year-end. We also believe that it is desirable for the Group to concentrate its resources on our network expansion plan in Shanghai in preparation for the 2010 World Expo.

A large portion of the Company's costs, including rental expenses, certain cleaning and maintenance expenses, salaries and other overheads, are fixed in nature. In light of the challenging operating environment since the forth quarter of 2008, the Group has implemented various cost-saving measures to reduce both fixed and variable costs. We have started to remove certain low-efficiency bus shelters from the saleable inventory in order to save cleaning and maintenance charges. We are in the process of negotiating with the local authorities for lower rental costs. Arrangements have been made to subcontract out the operation of certain small cities with low-efficiency to reduce operating costs. And we are exercising stringent cost control measures to improve operational efficiency.

Key Cities

During the period under review, the average number of bus shelter panels in the top three cities of Beijing, Shanghai and Guangzhou accounted for 40% of the Group's total number of bus shelter panels (1H08: 41%). Aggregate sales revenue from these three cities was HK$269 million for the six months ended 30 June 2009, representing a 12% decrease from HK$305 million in the same period last year, and accounting for 55% of total revenue from our core bus shelter business (1H08: 56%).

With the global economic slowdown, some advertisers in Beijing scaled back their advertising spend during this post-Olympic year. The Group therefore adopted a flexible pricing strategy subsequent to a very significant price increase in 2008. ASP has been adjusted down by 10% and bus shelter advertising revenue decreased by 11%, to HK$125 million, in the first half of 2009. The average number of bus shelter panels increased by 9% after integrating the new panels added in the second half of 2008. The occupancy rate, as a result, decreased to 52% (1H08: 57%).

Sales revenue from Shanghai decreased by 14%, to HK$65 million, mainly due to a 4% decrease in ASP, a 2% decrease in average number of bus shelter panels, and a lower occupancy rate of 50% (1H08: 54%). The slow performance in Shanghai was attributable to the general economic slowdown. Further, in preparation for the 2010 World Expo, the Shanghai government has heightened its efforts to enforce strict control over the outdoor media market, and, as a result, a large portion of outdoor street furniture is being dismantled, except for a limited number of formats, including bus shelters.

Since the second quarter of this year, as part of the 2010 World Expo preparation work, we have started to replace some of our bus shelters with the new design adopted by the government, and to change the display format from the previous 12-sheet to the new 6-sheet format. The reconstruction process is expected to continue until the end of this year, and we will be working closely with the government with a goal of minimising any impact on the Group's operation. Over the long run, however, we believe these new policies will be beneficial to the outdoor advertising industry and will lead to further market consolidation.

The Group's bus shelter business in Guangzhou recorded an 11% decline in revenue, to HK$79 million, for the six months ended 30 June 2009. ASP decreased by 7% and occupancy rate dropped to 63% (1H08: 67%) as a result of the economic slowdown and intense price competition from local TV stations and other small- to medium-sized outdoor media players, including newspaper-stand lightbox operators. Average bus shelter available-for-sale increased by 2% during the current period.

Mid-Tier Cities
During the first six months of 2009, revenue from mid-tier cities decreased by 5% to HK$221 million. ASP for all mid-tier cities has been adjusted downward by an average of a modest 3% while average occupancy rate dropped to 55% (1H08: 60%). The average number of bus shelter panels increased by 9%, mainly due to the 5-year leasing arrangement between the Group and a local operator to operate around 1,100 bus shelters in Shenzhen, and an arrangement to lease around 600 panels in Hangzhou.

The economic slowdown has affected the business environment more in Chengdu, Hangzhou and the north-eastern provinces. On the other hand, Nanjing, Xian, Jinan and Shijiazhuang have performed relatively well, thanks to the district sales centres set up in recent years to boost local sales.

The Group has entered into long-term subcontract arrangements with independent third parties to operate our bus shelter business in Tianjin and Qinhuangdao and absorb the related costs. We will continue to review the lower-yield cities and will implement suitable measures to further reduce direct costs in the second half of this year.

Shenzhen Bus Body Advertising Business:

Since early 2007, the Group began to lease, operate and manage the bus body advertising business of 3,000 buses in Shenzhen. For the six months ended 30 June 2009, sales from this business venture amounted to HK$32 million, a 20% decrease compared to HK$40 million for the same period in 2008. Earlier this year, the local government imposed new restrictions banning all advertising from the medical sector. The Group's bus body operation has since been negatively affected and generated a loss of HK$8 million (1H08: HK$0.5 million). We are currently working closely with our contractual partner and will consider appropriate measures to mitigate the business risk of this operation.

OTHER ADVERTISING FORMATS:

In light of the deterioration in market conditions, the Group has restructured its non-core businesses and terminated its entire airport and point-of-sale advertising businesses, and its unipole operation along the Beijing–Shijiazhuang and Shanghai–Nanjing highways. As a result, revenue from the Group's other advertising formats decreased to HK$5 million for the current six-month period from HK$22 million in the same period last year.

Management believes that the restructuring allows the Group to concentrate on its core bus shelter and bus body businesses.

BEIJING BASHI:

In March 2008, Hainan White Horse Advertising Media Investment Company Limited (the "WHA Joint Venture"), an indirect majority-owned subsidiary of the Company, entered into a share subscription agreement with Beijing Bashi Media Co., Ltd. ("Beijing Bashi") to invest between RMB250 million (approximately HK$285 million) and RMB650 million (approximately HK$740 million) in exchange for a minority interest in Beijing Bashi (the "Share Subscription Agreement"). The Group viewed the transaction as an opportunity to further expand its bus body advertising operations by locking in the intention on the part of both Beijing Bashi and the Group to cooperate and set out grounds for further negotiations.

Due to adverse market conditions, the WHA Joint Venture and Beijing Bashi agreed that they will not proceed with the transaction contemplated under the Share Subscription Agreement, and that the WHA Joint Venture will recover the deposit of RMB10 million (approximately HK$11 million) from Beijing Bashi.

The Group and Beijing Bashi will continue to explore alternate ways to cooperate in the bus body advertising business with a goal to unlock the long-term value of these media assets to the advantage of both parties.

Financial Review

TURNOVER

As a result of the economic slowdown, the Group's turnover decreased by 12%, to HK$527 million, for the six months ended 30 June 2009, from HK$600 million in the same period last year. The entire turnover was derived from mainland China and the core bus shelter advertising business continued to generate over 90% of total revenue. Total sales from bus shelter advertising decreased by 9%, to HK$490 million, for the first half of 2009 (1H2008: HK$539 million).

The Shenzhen bus body advertising business generated HK$32 million of revenue for the current six-month period, a decrease of 20%, from HK$40 million, for the same period last year. Contributions from other advertising formats, including the Group's bus body subcontract business in Guangzhou and its unipole operation, decreased by 78%, to HK$5 million (1H08: HK$22 million).

Expenses

During the six months ended 30 June 2009, the Group's total direct operating costs, including rental, electricity, maintenance, sales and cultural levies and production cost, decreased by 3%, to HK$256 million, from HK$264 million for the same period last year. Total rental costs decreased by 4% and sales and cultural levies decreased by 11%. On the other hand, total electricity and cleaning and maintenance expenses increased by 8% and 3%, respectively.

A large portion of the Company's costs, including rental expenses, certain cleaning and maintenance expenses, salaries and other overheads, are semi-fixed in nature. Despite the 7% increase in average inventory size, the direct rental cost of the bus shelter business decreased by 1% during the current six-month period as a result of the rental relief granted by the local authorities. Electricity and cleaning and maintenance expenses of the bus shelter business increased by 7% and 1%, respectively, due mainly to the 7% increase in the average number of bus shelters. Sales and cultural levies decreased by 11% as a result of lower bus shelter sales turnover.

In view of the market uncertainty, the Group has restructured its non-core businesses and terminated its entire airport and point-of-sale advertising businesses, and its unipole operation along the Beijing-Shijiazhuang and Shanghai-Nanjing highways. As a result, direct operating costs of these non-core operations have decreased by 3% during the current six-month period.

Due to the nature of the fixed cost structure of the Group, total direct operating costs, as a percentage of total sales, increased to 49% for six months ended 30 June 2009, from 44% for the same period last year. Rental, electricity and cleaning and maintenance expenses were, respectively, 28% (1H08: 25%), 5% (1H08: 4%) and 8% (1H08: 7%) of total sales for the current six-month period. Sales and cultural levies remained at 8% of total sales for both years.

Amortisation charges incurred on the bus shelters and other advertising formats increased by 13%, to HK$114 million (1H08: HK$101 million), due mainly to the 7% increase in the average number of bus shelter panels during the current period. As a percentage of total sales, amortisation expenses represented 22% of total sales, compared to 17% for the same period last year.

Total selling, general and administrative expenses, excluding depreciation and amortisation, decreased by 13%, to HK$111 million, for the six months ended 30 June 2009 (1H08: HK$128 million), mainly due to the Group's stringent effort in cost control over salaries, headcount, marketing and other indirect costs. A lower level of provision for doubtful debt was made during the current period, as sufficient provision had been made in 2008. Total selling, general and administrative expenses, excluding depreciation and amortisation, remained steady at 21% of total sales for both six-month periods in 2009 and 2008.

EBITDA

As a result of the Group's slower sales activities and the nature of its fixed cost structure, earnings before interest, tax, depreciation and amortisation ("EBITDA") decreased by 24%, to HK$158 million, for the six months ended 30 June 2009, from HK$206 million in the same period last year, while EBITDA margin decreased from 34% to 30%. Excluding the losses from the Shenzhen bus body and other non-core operations, EBITDA of our core bus shelter business decreased by 16%, to HK$179 million, for the current period and EBITDA margin decreased from 40% to 37%.

EBIT

The Group's earnings before interest and tax ("EBIT") decreased by 61%, to HK$40 million, for the current six-month period from HK$102 million in the same period last year, as a result of lower sales turnover and relatively fixed cost of the plant and other expenses.

Finance Costs

Finance costs decreased to HK$2 million during the period (1H08: HK$12 million), mainly due to the full redemption of the HK$312,000,000 zero coupon convertible bonds due 2009 ("Convertible Bonds") in September 2008, and the full repayment of the short-term loan from Clear Channel International B.V. in April 2009.

Taxation

During the period, taxes levied on the Group amounted to HK$10 million (1H08: HK$19 million). According to the new 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 rate of 20% (1H2008: 18%) on its assessable profits arising in the PRC for the current period.

Under the new PRC Enterprise Income Tax Law, the corporate income tax rate applicable to the WHA Joint Venture will rise gradually from 15% in 2007 to 25% by 2012. The deferred tax balances have been adjusted accordingly to reflect the tax rate increment applicable to the respective periods when the assets are realised or the liabilities are settled.

Net Profit

Net profit decreased by 58% to HK$28 million for the six months ended 30 June 2009, compared to HK$68 million for the same period last year, while net profit margin decreased to 5% from 11%.

Cashflow

Net cash inflow from operating activities for the six months ended 30 June 2009 remained steady at HK$29 million. The lower amount of cash generated from operations during the current interim period was compensated by an improvement in working capital management.

Net cash outflow to investing activities decreased to HK$50 million in the current period, from HK$96 million in the first six months of 2008, due to a lower level of capital expenditure.

Net cash inflow from financing activities during the current period amounted to HK$45 million, compared to a cash outflow of HK$46 million in the same period last year. This was mainly due to a decrease in pledged time deposits for the Shenzhen bus body business, and a smaller repayment of the short-term loan to Clear Channel International B.V. in the current interim period than in 2008.

Free cash flow, defined as EBITDA (before equity-settled share option expenses) less cash outflow on capital expenditure, less income tax and net interest expense, increased to HK$100 million for the current six-month period, compared to HK$86 million in the same period last year. The improvement in free cash flow was mainly the result of lower capital expenditure on concession rights, lower income tax and lower net interest expense, partially offset by a lower EBITDA generated in the current period.

Trade Receivables

The Group's accounts receivable balance due from third parties decreased by 7%, to HK$472 million, as at 30 June 2009, from HK$508 million as at 31 December 2008. This was mainly due to the lower sales turnover during the current period. 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 receivables from Guangdong White Horse Advertising Company Limited ("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 for a period of 90 days, extending up to 180 days for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly. The accounts receivable accounts relate to a large number of diversified customers and there is no significant concentration of credit risk.

During the Olympic period in the third quarter of 2008, sales were particularly high; however, amidst the deteriorating economic conditions since the last quarter in 2008, most customers have inevitably slowed down their repayments. This has therefore resulted in higher balances in the outstanding-for-270-to-360-days category. Average accounts receivable outstanding days, on a time-weighted basis, increased to 161 days for the current six-month period, compared with 141 days for the same period last year. As at 30 June 2009, the provision for impairment of accounts receivables increased to HK$33 million from HK$26 million as at 31 December 2008. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is prudent.

As at 30 June 2009, the amount due from GWH increased to HK$117 million, from HK$80 million as at 31 December 2008, mainly due to a slowdown in repayment from the customers represented by GWH during the current six-month period. We are working closely with GWH to try to expedite collection in the second half of 2009.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2009 increased to HK$387 million, from HK$137 million as at 31 December 2008.

The increase was mainly due to the inclusion of the receivables from Beijing Pangu Investment Co., Ltd. (formerly known as Beijing Morgan Investment Company, Limited) ("BMIC") amounting to RMB134 million (approximately HK$152 million), and a HK$30 million deposit placed with an independent third party in connection with the acquisition of bus body advertising rights in Guangzhou (the "Guangzhou bus body advertising rights deposit"), which were previously classified under long-term prepayment, deposits and other receivables.

Due to changes in the operating environment, the Group terminated the LED screens advertising sales management contract with BMIC signed in April 2007, and the cooperation arrangements thereunder. In November 2008, the WHA Joint Venture entered into a new agreement with BMIC, whereby BMIC agreed to repay to the WHA Joint Venture an aggregate amount of RMB134 million (approximately equivalent to HK$152 million) (the "BMIC Receivable"), including the prepaid performance guarantee of RMB30 million, the prepaid shared profits of RMB70 million, and the Group's share of capital expenditure for LED screens construction of RMB34 million. Certain property interests in the PRC have been assigned to the WHA Joint Venture as security for the BMIC Receivable and will be transferred to the WHA Joint Venture unless BMIC repays the amount in full by May 2010. The value of these properties has been independently valued, and is in excess of the amount due.

Total prepayments, deposits and other receivables as at 30 June 2009 also included a HK$30 million rental prepayment in connection with the Shenzhen bus body operation, and a RMB10 million (approximately HK$11 million) deposit paid by the WHA Joint Venture to Beijing Bashi in relation to the Share Subscription Agreement (the "BJBS Receivable"). See also Operation Review – Beijing Bashi above.

Long-term Prepayments, Deposits and Other Receivables

The balance for the six months ended 30 June 2009 included the non-current portion of the prepaid lease payment for certain bus shelters in Jinan, amounting to HK$17 million (31 December 2008: HK$18 million). Total long-term prepayments, deposits and other receivables decreased significantly, from HK$187 million to HK$17 million, due mainly to the reclassification of the BMIC Receivable and the Guangzhou bus body advertising rights deposit to Prepayments, Deposits and Other Receivables in current assets.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2009 were HK$325 million, compared to HK$393 million as at 31 December 2008. The decrease was mainly due to a reduction in capital-expenditure–related payables. It would be inappropriate to give the turnover days against sales figures as the payable is more closely related to capital expenditure incurred for the acquisition of bus shelter concession rights.

Assets and Liabilities

As at 30 June 2009, the Group's total assets amounted to HK$2,880 million, a 3% decrease from HK$2,959 million, as at 31 December 2008. The Group's total liabilities amounted to HK$371 million as at 30 June 2009, decreasing from HK$485 million as at 31 December 2008. Net assets as at 30 June 2009 increased by 1% to HK$2,509 million (31 December 2008: HK$2,474 million). This was mainly a result of the retention of the profit earned in the six months ended 30 June 2009, amounting to HK$28 million. Net current assets increased from HK$583 million as at 31 December 2008, to HK$878 million as at 30 June 2009.

As at 30 June 2009, the Group had pledged deposits of RMB10 million (approximately HK$12 million) to banks as security for bills payable of RMB21 million (approximately HK$23 million). As at 30 June 2009, the Group's total cash and bank balances amounted to HK$234 million (31 December 2008: HK$210 million).

Share Capital and Shareholders' Equity

There was no change in share capital during the period. Total shareholders' equity for the Group as at 30 June 2009 rose by 1%, to HK$2,509 million, compared to HK$2,474 million as at 31 December 2008. The Group's reserves as at 30 June 2009 amounted to HK$2,410 million, a 1% increase over the corresponding balance of HK$2,376 million as at 31 December 2008. This was mainly a result of the retention of the profit earned in the six months ended 30 June 2009, amounting to HK$28 million. The Group undertook no share repurchases during the period.

Exposure to Foreign Exchange Risk

The Group's only investment in China remains its operating vehicle, the WHA Joint Venture, which solely conducts business within the PRC. Leaving aside interest payable, repayment of foreign currency loans obtained to finance the WHA Joint Venture's operations, and any potential future dividend the WHA Joint Venture may declare to its shareholders, the bulk of its turnover, capital investment and expenses is denominated in RMB. As at the date of this interim 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 foreign exchange rate of the RMB has appreciated by 2% against the Hong Kong Dollars for the six months ended 30 June 2009, compared to the same period in 2008. 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, there will be a translation gain as a result of the RMB appreciation.

The majority of our operating assets is located in the PRC and is denominated in RMB. As the foreign exchange rate of the RMB has remained fairly steady as at 30 June 2009, compared to 31 December 2008, this has therefore resulted in a slight increase in foreign currency translation reserve of approximately HK$1 million (1H08: HK$144 million).

Liquidity, Financial Resources, Borrowing and Gearing

The Group financed its operations and investment activities with internally generated cash flow, balanced with proceeds from the previous issue of the Convertible Bonds and short-term borrowings. The Convertible Bonds were fully redeemed in September 2008 and the short-term loan drawn down from the Amended and Restated Revolving Credit Facility with an indirect majority-owned subsidiary of Clear Channel Communications, Inc. (the "Revised Credit Facility") was fully repaid in April 2009.

As of 30 June 2009, the Group's total cash and cash equivalents amounted to HK$234 million (HK$210 million as at 31 December 2008). As at the same period end, the Group had bills payable of HK$23 million (31 December 2008: HK$113 million). There was no short-term or long-term debt outstanding as at 30 June 2009, compared to a 2% debt-to-equity ratio, defined as a percentage of net interest bearing borrowings over shareholders' funds, as at 31 December 2008.

Given the current business and financial market conditions, the Group's policy currently is to maintain a low level of gearing or debt-free capital structure. This policy will be reviewed on an annual basis. We will continue to monitor the market situation for any financing needs and opportunities.

Capital Expenditure

In view of the market uncertainty, the Group has been cautious in acquiring of concession rights and building bus shelters in the first half of 2009. For the six months ended 30 June 2009, HK$32 million was spent on obtaining bus shelter concession rights and HK$2 million on fixed assets, compared to HK$96 million and HK$4 million, respectively, for the same period last year. We will continue to explore acquisition opportunities with a focus in Shanghai whilst continuing to work our existing assets and lift occupancy rate.

Material Acquisitions and Disposals

In March 2008, the WHA Joint Venture entered into the Share Subscription Agreement with Beijing Bashi. The transaction contemplated under the Share Subscription Agreement constitutes a major transaction under Chapter 14 of the Listing Rules.

Due to adverse market conditions, the WHA Joint Venture and Beijing Bashi agreed that they will not proceed with the transaction contemplated under the Share Subscription Agreement. See also Operation Review – Beijing Bashi above.

Save as disclosed above, there were no other material acquisitions or disposals of any subsidiaries, associates or joint ventures of the Group during the period.

Employment, Training and Development

As at 30 June 2009, the Group had a total of 589 employees, a decrease of 5% over the same period in 2008. Total wages and salaries decreased by 3% during the current six-month period. As a result of the Group's cost control measures, the sales and marketing divisions have been streamlined to improve operational efficiency.

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 both the performance of the Group and to individual performance as recognition of value creation. Share options are also granted to senior management in an effort to align individual interests with the Group's interests. Training courses and conferences aimed at improving team members' knowledge and skills were organised throughout the period.

Charges on Group Assets

There was no outstanding charge on the Group's assets as at 30 June 2009, other than time deposits of RMB10 million (approximately HK$12 million) pledged as securities for bills payable of RMB21 million (approximately HK$23 million).

Capital Commitments

As at 30 June 2009, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to HK$18 million (31 December 2008: HK$20 million).

Contingent Liabilities

During the period, 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

In view of the mixed signals of market recovery and ongoing competition, we remain cautious about the second half of 2009. Most advertisers continue to be cost-conscious and are more willing to commit to short-term contracts on a monthly basis than to annual contracts. Therefore, visibility into the second half of this year remains low. At the end of July 2009, our order book on-hand has reached 75% of our full-year sales target, softer than the 85% we had in 2008.

Nevertheless, we remain optimistic about the mid- to long-term prospects of China's economy. Indeed, the consensus of market analysts is that China will be the first country to emerge from the financial crisis, with domestic consumption replacing exports as a major driving force of China's economy. In addition, major events such as the 2010 World Expo and the 60th anniversary of the establishment of the PRC, will have a positive impact on the advertising industry.

Our strategies for the remainder of 2009 are:

Cooperation: In preparation for the 2010 World Expo, the Shanghai Government has taken steps to tighten control over the outdoor media market. We believe these policies will be beneficial to the overall outdoor advertising industry and will lead to further market consolidation. In order to strengthen our leading position and take every opportunity presented by the World Expo, the Group will continue to work closely with the government to offer full cooperation under the official policies and initiatives.

Concentration: The restructuring of the Group's non-core operations at the end of 2008 focused our resources on our core bus-shelter and bus-body businesses. We will continue to tailor-make business plans for our major customers and encourage them to concentrate their advertising budgets with us.

Control: We will continue to impose stringent control over capital expenditures and overhead costs to improve our operational efficiency. In particular, we will save rental and other direct costs by temporarily dismantling low-efficiency bus shelters. We will focus on improving the occupancy rate of our core business and investing in refreshing the quality of our existing panels. And we will exercise rigorous risk management to ensure sound financial conditions.

With our strong nationwide network, reputable clientele and financial strength, the Group is well positioned to tackle the challenges ahead and is well prepared for the next growth cycle.

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June 2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
Revenue	3	**526,644**	600,315
Cost of sales	5	**(370,272)**	(365,123)
Gross profit		**156,372**	235,192
Other income	3	**1,201**	4,584
Selling and distribution costs		**(56,105)**	(59,152)
Administrative expenses		**(58,558)**	(72,199)
Other expenses		**(1,498)**	(1,654)
Finance costs	4	**(1,646)**	(11,867)
PROFIT BEFORE TAX	5	**39,766**	94,904
Tax	6	**(10,016)**	(18,993)
PROFIT FOR THE PERIOD		**29,750**	75,911
ATTRIBUTABLE TO:			
Equity holders of the parent		**28,469**	68,328
Minority interests		**1,281**	7,583
		29,750	75,911
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	7	**HK5.43 cents**	HK13.03 cents
Diluted	7	**HK5.43 cents**	HK12.96 cents

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit for the period	**29,750**	75,911
Other comprehensive income:		
Exchange differences on translating foreign operations	**977**	141,359
Income tax	**–**	–
Other comprehensive income for the period, net of tax	**977**	141,359
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**30,727**	217,270
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**29,466**	212,439
Minority interests	**1,261**	4,831
	30,727	217,270

Condensed Consolidated Statement of Financial Position

As at 30 June 2009

	Notes	**30 June 2009 (Unaudited) HK$'000**	31 December 2008 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**19,236**	24,277
Concession rights	10	**1,623,578**	1,702,648
Long-term prepayments, deposits and other receivables	11	**16,669**	186,916
Total non-current assets		**1,659,483**	1,913,841
Current assets			
Trade receivables	12	**471,518**	507,672
Prepayments, deposits and other receivables	13	**386,798**	136,702
Due from a related party	14	**117,372**	80,046
Pledged deposits		**11,628**	111,163
Cash and cash equivalents		**233,673**	209,631
Total current assets		**1,220,989**	1,045,214
Total assets		**2,880,472**	2,959,055
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	16	**52,437**	52,437
Retained earnings		**891,250**	862,781
Other components of equity		**1,518,542**	1,512,945
		2,462,229	2,428,163
Minority interest		**46,960**	45,699
Total equity		**2,509,189**	2,473,862
Non-current liabilities			
Net deferred tax liabilities		**28,052**	23,337
Total non-current liabilities		**28,052**	23,337
Current liabilities			
Other payables and accruals		**325,080**	393,047
Deferred income		**11,400**	12,412
Interest-bearing other borrowings	15	**–**	54,959
Tax payable		**6,751**	1,438
Total current liabilities		**343,231**	461,856
Total liabilities		**371,283**	485,193
Total equity and liabilities		**2,880,472**	2,959,055

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to equity holders of the parent									
	Issued share capital HK$'000	Share Premium account HK$'000	Equity component of convertible bonds HK$'000	Share option reserve HK$'000	Contributed surplus HK$'000	Foreign currency translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Minority interest HK$'000	Total equity HK$'000
As at 1 January 2008	52,437	767,043	3,105	16,412	351,007	234,209	696,714	2,120,927	31,440	2,152,367
Profit for the period	–	–	–	–	–	–	68,328	68,328	7,583	75,911
Other comprehensive income	–	–	–	–	–	144,111	–	144,111	(2,752)	141,359
Total comprehensive income for the period	–	–	–	–	–	144,111	68,328	212,439	4,831	217,270
Equity-settled share option arrangements	–	–	–	4,000	–	–	–	4,000	–	4,000
At 30 June 2008 (unaudited)	52,437	767,043	3,105	20,412	351,007	378,320	765,042	2,337,366	36,271	2,373,637
As at 1 January 2009	52,437	767,043	–	24,412	351,007	370,483	862,781	2,428,163	45,699	2,473,862
Profit for the period	–	–	–	–	–	–	28,469	28,469	1,281	29,750
Other comprehensive income	–	–	–	–	–	997	–	997	(20)	977
Total comprehensive income for the period	–	–	–	–	–	997	28,469	29,466	1,261	30,727
Equity-settled share option arrangements	–	–	–	4,600	–	–	–	4,600	–	4,600
At 30 June 2009 (unaudited)	52,437	767,043	–	29,012	351,007	371,480	891,250	2,462,229	46,960	2,509,189

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cash generated from operations	**30,827**	45,888
Interest paid	**(1,831)**	(5,293)
Income taxes paid	**–**	(11,354)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**28,996**	29,241
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(49,606)**	(95,536)
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	**44,692**	(45,857)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**24,082**	(112,152)
Cash and cash equivalents at beginning of period	**209,631**	283,456
Effects of foreign exchange rate changes, net	**(40)**	(81)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**233,673**	171,223

Notes 1
Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accounts.

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2008, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2009:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1: *First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Presentation of Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2: *Share-based Payment – Vesting Conditions and Cancellations*
Amendment to HKFRS 7	*Financial Instruments: Disclosures*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS32: *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial statements – Puttable Financial Instruments and Obligation Arising on Liquidation*
Amendments to HK(IFRIC)-Int 9 and HKAS 39	*Reassessment of Embedded Derivative*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*

Notes 1
Basis of preparation and accounting policies (continued)

The HKAS 27 Amendment requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the income statement in the separate financial statements. The amendment is applied prospectively only. The HKFRS 1 Amendment allows a first-time adopter of HKFRSs to measure its investment in subsidiaries, associates or jointly-controlled entities using a deemed cost of either fair value or the carrying amount under the previous accounting practice in the separate financial statements. The adoption of this amendment has no impact on the consolidated financial statements. As the Group is not a first-time adopter of HKFRSs, the HKFRS 1 Amendment is not applicable to the Group.

The HKFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, the adoption of the amendments has no significant implication on its accounting for share-based payments.

HKFRS 7 Amendments requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosured by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurement is now required, as well as significant transfer between level 1 and level 2 fair value measurements. The amendments also clarify the requirement for liquidity risk disclosures.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

The HKAS 32 Amendments provide a limited scope exception for puttable financial instruments and instruments that impose specified obligations arising on liquidation to be classified as equity if they fulfill a number of specified features. HKAS 1 Amendments require disclosure of certain information relating to these puttable financial instruments and obligations classified as equity. As the Group currently has no such financial instruments or obligations, the adoption of these amendments did not have any financial impact on the Group.

Notes 1
Basis of preparation and accounting policies (continued)

Amendments to HK(IFRIC)-Int 9 introduces new condition under which the Group should perform subsequent reassessment on whether embedded derivative should be separated from host contract. In addition to a change in the terms of contract that significantly modified the cash flows that otherwise would have been required under the contract, the amendments require a subsequent reassessment to be performed when there is a reclassification of a financial asset out of the fair value through profit or loss category, which shall be made on the basis of the circumstances existed on the later date of: (a) when the entity first became a party to the contract; and (b) a change in the terms of contract that significantly modified the cash flows that otherwise would have been required under the contract. The amendments to the interpretation are unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 15 has replaced HK Interpretation 3 Revenue-Pre-completion Contracts for the Sale of Development Properties. It clarifies when and how an agreement for the construction of real estate should be accounted for as a construction contract in accordance with HKAS 11 Construction Contracts or an agreement for the sale of goods or services in accordance with HKAS 18 Revenue. As the Group currently is not involved in any construction of real estate, the adoption of this interpretation did not have any financial impact on the Group.

HK(IFRIC)-Int 16 provides guidance on the accounting for a hedge of a net investment in a foreign operation. This includes clarification that (i) hedge accounting may be applied only to the foreign exchange differences arising between the functional currencies of the foreign operation and the parent entity; (ii) a hedging instrument may be held by any entities within a group; and (iii) on disposal of a foreign operation, the cumulative gain or loss relating to both the net investment and the hedging instrument that was determined to be an effective hedge should be reclassified to the income statement as a reclassification adjustment. As the Group currently has no hedge of a net investment in a foreign operation, the adoption of this interpretation did not have any financial impact on the Group.

Improvements to HKFRSs

In October 2008, the HKICPA issued its first Improvements to HKFRSs which sets out 35 amendments to 20 HKFRSs. The Group adopts the following amendments to HKFRSs from 1 January 2009. There are separate transitional provisions for each standard.

The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

(a) HKFRS 7 Financial Instruments: Disclosures: Removes the reference to “total interest income” as a component of finance costs.

Notes 1
Basis of preparation and accounting policies (continued)

Improvements to HKFRSs (continued)

(b) HKAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with HKAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

(c) HKAS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell" and the recoverable amount of property, plant and equipment is calculated as the higher of an asset's fair value less costs to sell and its value in use. The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

(d) HKAS 20 Accounting for Government Grants and Disclosure of Government Assistance: Requires government loans granted in the future with no or at a below-market rate of interest to be recognised and measured in accordance with HKAS 39 and the benefit of the reduced interest to be accounted for as a government grant.

(e) HKAS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing cost' into one – the interest expense calculated using the effective interest rate method calculated in accordance with HKAS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

(f) HKAS 27 Consolidated and Separate Financial Statements: Requires that when a parent entity accounts for a subsidiary at fair value in accordance with HKAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

(g) HKAS 28 Investments in Associates: Clarifies that an investment in an associate is a single asset for the purpose of conducting the impairment test and that no impairment is separately allocated to goodwill included in the investment balance.

(h) HKAS 36 Impairment of Assets: When discounted cash flows are used to estimate "fair value less cost to sell", additional disclosure is required about the discount rate, consistent with the disclosures required when the discounted cash flows are used to estimate "value in use".

Notes 1
Basis of preparation and accounting policies (continued)

Improvements to HKFRSs (continued)

The amendments to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations
HKAS 8	Accounting Policies, Change in Accounting Estimates
HKAS 10	Events after the Reporting Period
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 29	Financial Reporting in Hyperinflationary Economics
HKAS 31	Interest in Joint Ventures
HKAS 34	Interim Financial Reporting
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS 41	Agriculture

Notes 2
Segment information

Outdoor media sales is the only major reportable operating segment of the Group which comprises the display of advertisements on bus shelters, unipoles and bus bodies. Accordingly, no further business segment information is provided.

In determining the Group's geographical segment, 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 located in the PRC, no further geographical segment information is provided.

Notes 3
Revenue and other income

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue		
Rental revenue from outdoor advertising spaces	**526,644**	600,315
Other income		
Interest income	**1,201**	4,584

Notes 4
Finance costs

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interests on other borrowings wholly repayable within five years	**777**	3,278
Other finance costs:		
Provision for convertible bonds redemption interest and other finance costs	**869**	8,589
	1,646	11,867

Notes 5
Profit before tax

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

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of services provided	**111,787**	114,025
Operating lease rentals on bus shelters, unipoles, point-of-sale and bus body operations	**144,284**	149,842
Amortisation of concession rights and depreciation of point-of-sale	**114,201**	101,256
Cost of sales	**370,272**	365,123
Impairment of accounts receivable	**10,093**	20,114
Auditors' remuneration	**755**	755
Depreciation of owned assets, excluding point-of-sale	**3,275**	2,921
Gain on disposal of items of property, plant and equipment	**(11)**	(35)
Loss on disposal of concession rights	**1,509**	1,689
Operating lease rentals on buildings	**9,423**	9,016
Employee benefits expense (including Directors' remuneration):		
Wages and salaries	**51,588**	53,201
Equity-settled share option expenses	**4,600**	4,000
Pension scheme contributions	**89**	75
	56,277	57,276
Interest income	**(1,201)**	(4,584)

Notes 6
Tax

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Hong Kong profits tax	**–**	–
Current – PRC corporate income tax	**5,300**	16,708
Deferred tax	**4,716**	2,285
Total tax charge for the period	**10,016**	18,993

Hong Kong profits tax has not been provided as the Group has no assessable profits arising in Hong Kong during the period. 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 new Enterprise Income Tax Law of the PRC effective on 1 January 2008, Hainan White Horse Advertising Media Investment Company Limited (the "WHA Joint Venture"), a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, was subject to a corporate income tax at a rate of 20% (2008: 18%) on its assessable profits arising in the PRC for the current interim period. The tax rate will increase eventually to 25% in 2012. The deferred tax balances have been adjusted to reflect the tax rates that are expected to apply in the respective periods when the assets are realised or the liabilities are settled.

Notes 7
Earnings per share

The calculation of basic earnings per share for the period is based on the profit attributable to equity holders of the Group of HK$28,469,000 (six months ended 30 June 2008: HK$68,328,000) and the weighted average number of 524,368,500 (six months ended 30 June 2008: 524,368,500) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period is based on the profit attributable to equity holders of the Group of HK$28,469,000 (six months ended 30 June 2008: HK$68,328,000). The weighted average number of ordinary shares used in the calculation is the 524,368,500 (six months ended 30 June 2008: 524,368,500) ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of nil (six months ended 30 June 2008: 2,924,233) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

Notes 8
Dividend

The Board of Directors resolved not to pay any interim dividend to shareholders in respect of the six months ended 30 June 2009 (six months ended 30 June 2008: HK$Nil).

Notes 9
Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired property, plant and equipment with a cost of HK$1,680,000 (six months ended 30 June 2008: HK$4,317,000), construction in progress with a cost of HK$1,809,000 (six months ended 30 June 2008: HK$34,459,000).

Property, plant and equipment with a net book value of nil were disposed of by the Group during the six months ended 30 June 2009 (six months ended 30 June 2008: nil), resulting in a net gain on disposal of HK$11,000 (six months ended 30 June 2008: HK$35,000).

Notes 10
Concession rights

During the six months ended 30 June 2009, the Group acquired concession rights with a cost of HK$35,888,000 (six months ended 30 June 2008: HK$92,317,000), including concession rights transferred from construction in progress of HK$5,272,000 (six months ended 30 June 2008: HK$31,180,000).

Concession rights with a net book value of HK$1,537,000 were disposed of by the Group during the six months ended 30 June 2009 (six months ended 30 June 2008: HK$1,729,000), resulting in a net loss on disposal of HK$1,509,000 (six months ended 30 June 2008: HK$1,689,000).

Notes 11
Long-term prepayments, deposits and other receivables

The balance as at 30 June 2009 included a non-current portion of prepaid bus shelter lease payment amounting to HK$16,669,000 (31 December 2008: HK$17,523,000).

Notes 12
Trade receivables

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 for a period of 90 days extending up to 180 days for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Current to 90 days	**199,367**	190,889
91 – 180 days	**97,957**	195,586
Over 180 days	**207,046**	146,864
	504,370	533,339
Less: Provision for impairment of trade receivables	**(32,852)**	(25,667)
Total trade receivables, net	**471,518**	507,672

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

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Neither past due nor impaired	**297,322**	381,032
Less than 3 months past due	**97,201**	71,158
Over 3 months past due	**69,504**	49,606
	464,027	501,796

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

Notes 12

Trade receivables (continued)

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. The Group does not hold any collateral or other credit enhancements over these balances.

Notes 13

Prepayments, deposits and other receivables

In March 2008, the WHA Joint Venture entered into a share subscription agreement with Beijing Bashi Media Co., Ltd. ("Beijing Bashi") to invest between RMB250 million (approximately HK$285 million) and RMB650 million (approximately HK$740 million) in exchange for a minority interest in Beijing Bashi (the "Share Subscription Agreement"). The balance of prepayments, deposits and other receivables as at 30 June 2009 included a deposit of RMB10 million (approximately equivalent to HK$11 million) (31 December 2008: RMB10 million) paid by the WHA Joint Venture to Beijing Bashi in relation to the Share Subscription Agreement.

The balance of prepayments, deposits and other receivables as at 30 June 2009 included a receivable with Beijing Pangu Investment Co., Ltd. ("BMIC") amounting to RMB133,950,840 (31 December 2008: RMB133,950,840). On 2 April 2007, WHA Joint Venture signed an agreement with BMIC (the "Previous Agreement") for the management of the advertising sales of outdoor large LED screens in Beijing. On 19 November 2008, WHA Joint Venture entered into an agreement with BMIC (the "Agreement"), pursuant to which, 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, an aggregate amount of RMB133,950,840 (approximately equivalent to HK$152,000,000), shall be owed by BMIC to WHA Joint Venture as a debt (the "BMIC Receivable"). The aggregate amount of RMB133,950,840 includes the prepaid performance guarantee of RMB30 million, the prepaid shared profits of RMB70 million and the Group's share of capital expenditure for the LED screens construction of RMB33,950,840. With the intention of securing the amount due from BMIC to WHA Joint Venture of the BMIC Receivable, pursuant to the Agreement, certain property interests in the PRC, which have been assigned to WHA Joint Venture as security for the amount due, will be transferred to WHA Joint Venture, unless BMIC repays the BMIC Receivable to WHA Joint Venture in full on or before 18 May 2010. The parties to the Agreement have agreed that the estimated value of such property interests is in excess of the amount due. The BMIC Receivable was classified under long-term prepayment, deposits and other receivable as at 31 December 2008.

Notes 13
Prepayments, deposits and other receivables (continued)

In addition, the balance of prepayments, deposits and other receivables for the period ended 30 June 2009 included a deposit amounting to HK$30,000,000, which has been placed with an independent third party in connection with the acquisition of the rights to place advertisements on certain outdoor advertising media. The deposit carries interest at an interest rate of 7% per annual. The deposit was classified under long-term prepayments, deposits and other receivable as at 31 December 2008.

Notes 14
Due from a related party

An aged analysis of the amounts due from Guangdong White Horse Advertising Company Limited as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Current to 90 days	**32,053**	24,616
91 days – 180 days	**26,065**	29,514
Over 180 days	**59,254**	25,916
	117,372	80,046

Notes 15
Interest-bearing other borrowings

On 16 October 2007, the Company entered into a short-term revolving credit facility agreement of up to HK$350 million with Clear Channel International B.V., an indirect majority owned subsidiary of the Company's controlling shareholder, Clear Channel Communications, Inc. (the "Credit Facility").

On 14 October 2008, the Company has entered into an Amended and Restated Revolving Credit Facility (the "Revised Credit Facility") of up to US$45 million with Clear Channel International B.V. with the term extended to 15 May 2009. The Revised Credit Facility is used to facilitate the repayment of the Company's existing debts and for other general corporate purposes. The terms of the Revised Credit Facility are benchmarked against market terms and the loan is made on an unsecured basis.

Notes 15
Interest-bearing other borrowings (continued)

As at 31 December 2008, the Company utilised US$7,071,953 (equivalent to HK$55 million) of the Revised Credit Facility. The loan bore interest at 5.52% and was repayable on demand of the lender on 13 March 2009.

During the period, the Company repaid the loan amounting to US$7,071,953 (equivalent to HK$55 million) together with interest of HK$927,000 to Clear Channel International B.V..

Notes 16
Share capital

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Shares		
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
524,368,500 ordinary shares of HK$0.10 each (31 December 2008: 524,368,500)	**52,437**	52,437

Notes 17
Reserves

The amount of the Group's reserves and the movements therein for the current period and prior period are presented in the consolidated statement of changes in equity on page 18 of the report.

Notes 18
Related party transactions

(a) In addition to the transactions detailed elsewhere in these condensed interim 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.

		For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Agency commission paid to Guangdong White Horse Advertising Company Limited ("GWH")	(i)	**10,779**	9,793
Sales to GWH	(ii)	**61,081**	55,493
Bus shelter maintenance and display fees	(iii)	**491**	1,989
Creative services fees payable to GWH	(iv)	**1,702**	1,674

Notes:

(i) The agency commission paid to GWH was based on the standard percentage of gross rental revenue for outdoor advertising spaces payable to other major third party agencies used by the Group. On 11 May 2004, the WHA Joint Venture entered into a framework agreement for a fixed term of three years, which formalised the terms and conditions in the advertising commission agreement between the two parties. On 5 March 2007, the WHA Joint Venture terminated the framework agreement and entered into a new three-year framework agreement with GWH for the years 2007, 2008 and 2009 on substantially the same terms as the previous agreement. GWH is a related party of the Company because of one of the directors of the Company, 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 from an 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 the major customers of the Group.

(iii) The WHA Joint Venture entered into various agreements (the "maintenance services agreements") for the maintenance of bus shelters and the display of posters in the PRC with the White Horse Companies on 20 April 2007 for a term of three years. The White Horse Companies are considered to be related parties of the Company due to the fact that one of the directors of the Company, Mr. Han Zi Dian, can exercise significant influence over the management of such White Horse Companies.

(iv) On 7 April 2008 the WHA Joint Venture entered into a creative services agreement with GWH effective from 1 January 2008 to 31 December 2010, whereby GWH agreed to provide creative design services for poster, sales and marketing materials and company profiles to the Group. These transactions were entered into on terms no less favourable than those available to or from independent third parties.

Notes 18
Related party transactions (continued)

(a) (continued)

Other than the above, the Group entered into an option agreement as follows:

On 9 January 2006, China Outdoor Media Investment (Hong Kong) Company Limited ("China Outdoor Media (HK)"), an indirect wholly owned subsidiary of the company, and Hainan White Horse Advertising Company Limited ("Hainan White Horse"), signed an agreement to amend the Joint Venture Agreement, extending the term of the China Outdoor Media (HK)'s entitlement of 90% of the after tax profits of the WHA Joint Venture for a further two years to the end of the fiscal year 2007. In consideration of extension of such profit sharing arrangement, China Outdoor Media (HK) made a one-off payment of HK$500,000 to Hainan White Horse.

On 3 April 2008, China Outdoor Media (HK) and Hainan White Horse signed an agreement to further extend the term of the China Outdoor Media (HK)'s entitlement of 90% of the after tax profits of the WHA Joint Venture for a further one year to the end of the fiscal year 2008. In consideration of the extension of such profit sharing arrangement, China Outdoor Media (HK) made a one-off payment of HK$250,000 to Hainan White Horse. During the period, China Outdoor Media (HK) has made another one-off payment of HK$250,000 to Hainan White Horse to further extend such profit sharing arrangement for a further one year to the end of the fiscal year 2009.

(b) Outstanding balances with a related party

On 16 October 2007, the Company entered into the Credit Facility of up to HK$350 million with Clear Channel International B.V., an indirect majority owned subsidiary of the Company's controlling shareholder, Clear Channel Communications, Inc..

On 14 October 2008, the Company has entered into the Revised Credit Facility of up to US$45 million with Clear Channel International B.V. with the term extended to 15 May 2009. The Revised Credit Facility is used to facilitate the repayment of the Company's existing debts and for other general corporate purposes. The terms of the Revised Credit Facility are benchmarked against market terms and the loan is made on an unsecured basis.

As at 31 December 2008, the Company utilised US$7,071,953 (equivalent to HK$55 million) of the Revised Credit Facility. The loan bore interest at 5.52% and was repayable on demand of the lender on 13 March 2009.

Notes 18
Related party transactions (continued)

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

During the period, the Company repaid the loan amounting to US$7,071,953 (equivalent to HK$55 million) together with interest of HK$927,000 to Clear Channel International B.V..

In addition, the Group had outstanding receivables from GWH of HK$117,372,000 (31 December 2008: HK$80,046,000), as at the balance sheet date. 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	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employee benefits	**4,706**	5,385
Employee share option benefits	**2,444**	2,149
Pension scheme contributions	**47**	40
Total compensation paid to key management personnel	**7,197**	7,574

Notes 19
Commitments

(a) Capital commitments

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Contracted, but not provided for:		
The construction of bus shelters for which concession rights are held	**18,344**	20,139

Notes 19
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 9 years, and those for concession rights are negotiated for terms ranging from 5 to 15 years.

At 30 June 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Within one year	**495,140**	262,061
In the second to fifth year, inclusive	**629,018**	826,301
After five years	**365,545**	542,086
	1,489,703	1,630,448

(c) The Group has entered into a media rental contract under which the Group has committed to pay to a media owner a minimum guaranteed payment calculated based on the arrangements as stipulated in the respective contract. As at 30 June 2009, the amount of the total minimum guaranteed payment under the above contract is analysed as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Within one year	**28,780**	57,533
In the second to fifth year, inclusive	**129,301**	129,242
	158,081	186,775

In addition to the minimum guaranteed payment, the contract also contains a profit sharing arrangement whereby operating profit exceeding certain threshold as stipulated in the contract will be shared between the two parties at pre-agreed ratio.

Notes 20
APPROVAL OF THE INTERIM FINANCIAL REPORT

These condensed interim financial statements were approved and authorised for issue by the board of directors on 30 July 2009.

Directors' and chief executive's interests and short positions in shares and underlying shares

As at 30 June 2009, 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 Listing Rules (the "Model Code"), were as follows:

A. Long Positions in Ordinary Shares of the Company as at 30 June 2009:

	Number of shares held, capacity and nature of interest					
Name of director	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	% of the Company's issued share capital
Han Zi Jing	–	–	7,700,000	–	7,700,000	1.47%

Note: 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 2009, 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 43 to 49.

B. Long Positions in the Shares of CC Media Holdings, Inc. as at 30 June 2009: *(Note 1)*

Name of director	Number of shares held, capacity and nature of interest: shares Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	% of issued share capital
Mark Mays	676,897	–	102,168 (Note 2)	–	779,065	0.9374
Paul Meyer	882	–	–	–	882	0.0011

1. On 31 July 2008 (Hong Kong time), the merger of Clear Channel Communications, Inc. ("Clear Channel") with a subsidiary of CC Media Holdings, Inc. ("CC Media"), a corporation formed by private equity funds co-led by Bain Capital Partners LLC and Thomas H. Lee Partners LP (the "Private Equity Group"), has been completed (the "Acquisition"). Common stocks in Clear Channel have been delisted and ceased to be publicly traded on the New York Stock Exchange with effect from 31 July 2008 (Hong Kong time). Following the Acquisition, the affiliates of the Private Equity Group own 100% of the class B stocks, which are supervoting stocks, and 100% of the class C stocks, which do not carry any voting rights, in CC Media. The former shareholders of Clear Channel who elected to receive stock instead of cash as merger consideration, together with certain members of management and other employees of Clear Channel, collectively own 100% of the class A stocks, each share having the right to one vote, in CC Media. Immediately following the Acquisition, the affiliates of the Private Equity Group own more than 50% of the voting rights in CC Media, which indirectly own 100% of the capital stock of Clear Channel. As a result, the Private Equity Group became the controlling shareholders of the Company.

2. These are held through MPM Partners, Ltd, a limited partnership organised in the state of Texas, USA, where Mark Mays is the general partner and which is 37.02% owned by trusts which beneficiaries are Mark May's children, 45.35% owned by Mark Mays and 17.63% owned by his spouse.

C. Long Positions in the Shares of Clear Channel Outdoor Holdings, Inc. as 30 June 2009: *(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
Mark Mays	16,667	–	–	–	16,667	0.005
Paul Meyer	40,000	–	–	–	40,000	0.011
Mark Thewlis	10,708	–	–	–	10,708	0.003
Jonathan Bevan	19,458	–	–	–	19,458	0.005

1. Clear Channel Outdoor Holdings, Inc. is an indirect holding company of the Company.

D. Right to Acquire Shares in CC Media Holdings, Inc. as at 30 June 2009:

Name of director	Date of grant	Number of outstanding options as at 30 June 2009	Option period	Subscription price per share of CC Media Holdings, Inc.
Mark Mays	30/07/2008	2,851	30/07/2008 – 19/02/2013	US$35.0606
	30/07/2008	8,324	30/07/2008 – 19/02/2013	US$9.8000
	30/07/2008	3,298	30/07/2008 – 12/01/2015	US$30.3107
	30/07/2008	46,554	30/07/2008 – 12/01/2015	US$9.8000
	30/07/2008	5,601	30/07/2008 – 16/02/2015	US$9.8000
	30/07/2008	260,416	13/05/2011 – 30/07/2018	US$36.0000
	30/07/2008	260,417	13/05/2012 – 30/07/2018	US$36.0000
	30/07/2008	520,834	13/05/2013 – 30/07/2018	US$36.0000
	30/07/2008	260,416	Note 1 – 30/07/2018	US$36.0000
	30/07/2008	260,416	Note 2 – 30/07/2018	US$36.0000
	30/07/2008	520,834	Note 3 – 30/07/2018	US$36.0000

1. Options will become vested at the later of 13/05/2011 or the date when certain predetermined performance targets of CC Media Holdings, Inc. are met.

2. Options will become vested at the later of 13/05/2012 or the date when certain predetermined performance targets of CC Media Holdings, Inc. are met.

3. Options will become vested at the later of 13/05/2013 or the date when certain predetermined performance targets of CC Media Holdings, Inc. are met.

E. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2009:

Name of director	Date of grant	Number of outstanding options as at 30 June 2009	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
Mark Mays	11/11/2005	100,000	11/11/2010 – 11/11/2015	US$18.00
	23/05/2007	12,500	23/05/2008 – 23/05/2017	US$29.03
	23/05/2007	12,500	23/05/2009 – 23/05/2017	US$29.03
	23/05/2007	12,500	23/05/2010 – 23/05/2017	US$29.03
	23/05/2007	12,500	23/05/2011 – 23/05/2017	US$29.03
Paul Meyer	11/11/2005	35,133	19/02/2008 – 19/02/2010	US$20.85
	11/11/2005	91,250	11/11/2008 – 11/11/2012	US$18.00
	11/11/2005	91,250	11/11/2009 – 11/11/2012	US$18.00
	11/11/2005	182,500	11/11/2010 – 11/11/2012	US$18.00
	16/05/2008	37,767	16/05/2009 – 16/05/2018	US$20.64
	16/05/2008	37,767	16/05/2010 – 16/05/2018	US$20.64
	16/05/2008	37,767	16/05/2011 – 16/05/2018	US$20.64
	16/05/2008	37,768	16/05/2012 – 16/05/2018	US$20.64
	06/02/2009	43,724	06/02/2010 – 06/02/2019	US$5.28
	06/02/2009	43,724	06/02/2011 – 06/02/2019	US$5.28
	06/02/2009	43,724	06/02/2012 – 06/02/2019	US$5.28
	06/02/2009	43,724	06/02/2013 – 06/02/2019	US$5.28
Mark Thewlis	19/02/2003	1,097	19/02/2006 – 19/02/2010	US$20.85
	19/02/2003	1,097	19/02/2007 – 19/02/2010	US$20.85
	19/02/2003	2,197	19/02/2008 – 19/02/2010	US$20.85
	13/02/2006	6,250	13/02/2009 – 13/02/2013	US$19.85
	13/02/2006	6,250	13/02/2010 – 13/02/2013	US$19.85
	13/02/2006	12,500	13/02/2011 – 13/02/2013	US$19.85
	23/05/2007	6,625	23/05/2008 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2009 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2010 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2011 – 23/05/2017	US$29.03

Name of director	Date of grant	Number of outstanding options as at 30 June 2009	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
	16/05/2008	13,250	16/05/2009 – 16/05/2018	US$20.64
	16/05/2008	13,250	16/05/2010 – 16/05/2018	US$20.64
	16/05/2008	13,250	16/05/2011 – 16/05/2018	US$20.64
	16/05/2008	13,250	16/05/2012 – 16/05/2018	US$20.64
	06/02/2009	11,610	06/02/2010 – 06/02/2019	US$5.28
	06/02/2009	11,610	06/02/2011 – 06/02/2019	US$5.28
	06/02/2009	11,610	06/02/2012 – 06/02/2019	US$5.28
	06/02/2009	11,611	06/02/2013 – 06/02/2019	US$5.28
Jonathan Bevan	19/02/2003	2,195	19/12/2006 – 19/02/2010	US$20.85
	19/02/2003	2,196	19/02/2007 – 19/02/2010	US$20.85
	19/02/2003	4,392	19/02/2008 – 19/02/2010	US$20.85
	12/01/2005	3,293	12/01/2008 – 12/01/2012	US$17.89
	12/01/2005	3,294	12/01/2009 – 12/01/2012	US$17.89
	12/01/2005	6,588	12/01/2010 – 12/01/2012	US$17.89
	13/02/2006	3,125	13/02/2009 – 13/02/2013	US$19.85
	13/02/2006	3,125	13/02/2010 – 13/02/2013	US$19.85
	13/02/2006	6,250	13/02/2011 – 13/02/2013	US$19.85
	23/05/2007	6,625	23/05/2008 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2009 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2010 – 23/05/2017	US$29.03
	23/05/2007	6,625	23/05/2011 – 23/05/2017	US$29.03
	16/05/2008	13,750	16/05/2009 – 16/05/2018	US$20.64
	16/05/2008	13,750	16/05/2010 – 16/05/2018	US$20.64
	16/05/2008	13,750	16/05/2011 – 16/05/2018	US$20.64
	16/05/2008	13,750	16/05/2012 – 16/05/2018	US$20.64
	06/02/2009	15,480	06/02/2010 – 06/02/2019	US$5.28
	06/02/2009	15,480	06/02/2011 – 06/02/2019	US$5.28
	06/02/2009	15,480	06/02/2012 – 06/02/2019	US$5.28
	06/02/2009	15,481	06/02/2013 – 06/02/2019	US$5.28
Teo Hong Kiong	11/11/2005	2,500	11/11/2010 – 11/11/2015	US$18.00

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.

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 in the "Share Option Schemes" below, at no time during the period 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.

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 ten years from that date.

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 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 it 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 28 May 2003, 19 November 2003 and 29 June 2007. Share options granted on 28 May 2003 and 19 November 2003 have become fully vested at the end of the third year after the respective grant dates while those granted on 29 June 2007 will not become vested until the end of the third year after the grant date unless the Company has achieved an average annual earnings per share growth of 5% each year for the first three full financial years after the grant date. However, the board of directors retains discretion to accelerate the vesting of fixed term options in the event that certain performance targets are met.

On 20 May 2009, 14,000,000 shares of options were granted by the Company under the New Scheme. The new options are valid for a period of seven years, commencing on 21 May 2009. One-third of the options granted to each of the grantees will vest in the third, forth and fifth anniversary of 21 May 2009, respectively.

The subscription price for the Company's shares under the New Scheme and the Old Scheme was a price determined by the board of directors and notified to each grantee. The subscription price was 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 2009, the aggregate number of shares issuable under share options granted under both the New Scheme and the Old Scheme was 28,032,000, which represented approximately 5.35% of the Company's shares in issue as at that date. 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.

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

		Number of share options									Price of the Company's shares***		
Name or category of participant	Type of share option scheme	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	Date of grant of share options*	Exercise period	Exercise price per share** HK$	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	1,666,000	–	–	(1,666,000)	–	–	29/06/2002	30/6/2005 to 29/06/2009	5.51	5.3	–	–
	The Old Scheme	1,900,000	–	–	–	–	1,900,000	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.5	–	–
	The Old Scheme	1,000,000	–	–	–	–	1,000,000	19/11/2003	20/11/2006 to 19/11/2010	5.35	5.35	–	–
	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	–	866,666	–	–	–	866,666	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	866,666	–	–	–	866,666	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	–	–
		6,066,000	2,600,000	–	(1,666,000)	–	7,000,000						
Teo Hong Kiong	The Old Scheme	800,000	–	–	–	–	800,000	29/06/2007	30/06/2010 to 28/06/2014	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	–	–
		800,000	1,500,000	–	–	–	2,300,000						

Name or category of participant	Type of share option scheme	Number of share options: 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	Date of grant of share options*	Exercise period	Exercise price per share** HK$	Price of the Company's shares***: At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
Zhang Huai Jun	The Old Scheme	175,000	–	–	(175,000)	–	–	29/06/2002	30/06/2005 to 29/06/2009	5.51	5.3	–	–
	The Old Scheme	666,000	–	–	–	–	666,000	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.5	–	–
	The Old Scheme	800,000	–	–	–	–	800,000	29/06/2007	30/06/2010 to 28/06/2014	8.53	8.50	–	–
	The New Scheme	–	533,333	–	–	–	533,333	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	533,333	–	–	–	533,333	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	–	–
		1,641,000	1,600,000	–	(175,000)	–	3,066,000						
Zou Nan Feng	The Old Scheme	400,000	–	–	(400,000)	–	–	29/06/2002	30/6/2005 to 29/06/2009	5.51	5.3	–	–
	The Old Scheme	666,000	–	–	–	–	666,000	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.5	–	–
	The Old Scheme	400,000	–	–	–	–	400,000	29/06/2007	30/06/2010 to 28/06/2014	8.53	8.50	–	–
	The New Scheme	–	400,000	–	–	–	400,000	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	400,000	–	–	–	400,000	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	–	–
		1,466,000	1,200,000	–	(400,000)	–	2,266,000						

Name or category of participant	Type of share option scheme	Number of share options: 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	Date of grant of share options*	Exercise period	Exercise price per share** HK$	Price of the Company's shares***: At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
Peter Cosgrove	The Old Scheme	625,000	–	–	(625,000)	–	–	29/06/2002	30/06/2005 to 29/06/2009	5.51	5.3	–	–
		625,000	–	–	(625,000)	–	–						
Steven Yung (resigned as Chairman and non-executive director with effect from 1 January 2009)	The Old Scheme	1,250,000	–	–	(1,250,000)	–	–	29/06/2002	30/6/2005 to 29/06/2009	5.51	5.3	–	–
	The Old Scheme	1,400,000	–	–	–	–	1,400,000	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.5	–	–
		2,650,000	–	–	(1,250,000)	–	1,400,000						
Others													
Members of senior management and other employees of the Group	The Old Scheme	1,900,000	–	–	–	–	1,900,000	19/11/2003	20/11/2006 to 19/11/2010	5.35	5.35	–	–
	The Old Scheme	3,000,000	–	–	–	–	3,000,000	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	–	–
	The New Scheme	–	2,366,666	–	–	–	2,366,666	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	2,366,666	–	–	–	2,366,666	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	2,366,668	–	–	–	2,366,668	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	–	–
		4,900,000	7,100,000	–	–	–	12,000,000						

Name or category of participant	Type of share option scheme	Number of share options: 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	Date of grant of share options*	Exercise period	Exercise price per share** HK$	Price of the Company's shares***: At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
In aggregate	The Old Scheme	4,116,000	–	–	(4,116,000)	–	–	29/06/2002	30/06/2005 to 29/06/2009	5.51	5.30	–	–
	The Old Scheme	4,632,000	–	–	–	–	4,632,000	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	–	–
	The Old Scheme	2,900,000	–	–	–	–	2,900,000	19/11/2003	20/11/2006 to 19/11/2010	5.35	5.35	–	–
	The Old Scheme	6,500,000	–	–	–	–	6,500,000	29/06/2007	30/06/2010 to 29/06/2014	8.53	8.50	–	–
	The New Scheme	–	4,666,665	–	–	–	4,666,665	20/05/2009	21/05/2012 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	4,666,665	–	–	–	4,666,665	20/05/2009	21/05/2013 to 20/05/2016	2.73	2.73	–	–
	The New Scheme	–	4,666,670	–	–	–	4,666,670	20/05/2009	21/05/2014 to 20/05/2016	2.73	2.73	–	–
		18,148,000	14,000,000	–	(4,116,000)	–	28,032,000						

* The vesting period of the share options is from the date of grant until the commencement of the exercise period except for the share options granted on 29 June 2007 which will not become vested until the end of the third year after the grant date unless the Company has achieved an average annual earnings per share growth of 5% each year for the first three full financial years after the grant date.

** 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 Group granted 14,000,000 shares of share options to directors and employees on 20 May 2009. The fair value of options granted determined using the Black-Scholes valuation model was approximately HK$20,400,000. The significant inputs into the model were closing share price of HK$2.73 on the grant date, exercise price of HK$2.73, volatility of 58.5%, expected dividend yield of Nil%, an expected option life of 5.5 years and an annual risk free interest rate of 2.04%. The expected option life is based on the historical data in the past years and is not necessarily indicative of the exercise patterns that may occur. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the past five years. The volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Apart from the foregoing, at no time during the six months ended 30 June 2009 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.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2009, 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	271,579,500	51.79%
International Value Advisers, LLC	2	43,554,250	8.31%
ZAM Europe L.P.	3	40,169,000	7.66%
Artio Global Management LLC (formerly Julius Baer Investment Management LLC)	4	31,155,940	5.94%

Notes:

1. As at 30 June 2009, Clear Channel KNR Neth Antilles NV was an indirect non-wholly owned subsidiary of CC Media, 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. Each of the intermediate holding companies of Clear Channel KNR Neth Antilles NV notified the Stock Exchange that as at 31 July 2008, 271,579,500 shares, representing 51.79% of the Company's issued capital, were held by them in the capacity as corporation controlled by the substantial shareholder.

2. International Value Advisers, LLC notified the Stock Exchange that as at 7 January 2009, 28,756,770 shares, representing 5.48% of the Company's issued share capital, were held by it.

3. ZAM Europe, L.P. notified the Stock Exchange that as at 27 February 2007, 40,169,000 shares, representing 7.66% of the Company's issued share capital, were held by it. ZAM Europe, L.P. is a corporation controlled by PBK Holdings, Inc., which is a corporation controlled by Philip Korsant.

4. Artio International Equity Fund (formerly Julius Baer International Equity Fund) notified the Stock Exchange that as at 29 October 2008, 30,835,602 shares, representing 5.88% of the Company's issued share capital, were held by it. Artio Global Management LLC is the investment manager of Artio International Equity Fund and Julius Baer Investment Management LLC is the investment manager of Julius Baer International Equity Fund.

Save as disclosed above, as at 30 June 2009, no person or corporation, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in the Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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 the Clear Media's Chairman is separate from that of Clear Media's CEO. The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with defined terms of reference.

Corporate governance practices adopted by the Group during the six months ended 30 June 2009 are in line with the code provisions set out in Code on Corporate Governance Practices, Appendix 14 of the Listing Rules.

None of the directors are aware of any information that would reasonably indicate that Clear Media is not, or was not for any part of the six months ended 30 June 2009, in compliance with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of 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 Committee has reviewed the accounting policies and practices adopted by the Group as well as the unaudited interim financial statements for the six months ended 30 June 2009. 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.

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

Clear Media has not redeemed any of its listed securities during this interim period. Neither Clear Media nor any of its subsidiaries has purchased or sold any of the listed securities during the said period.

Investor Relations and Communications

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

By Order of the Board
Clear Media Limited
Jingsheng Huang
Chairman

30 July 2009

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 2009	524,368,500 shares
Nominal Value:	HK$0.10 per share
Market Capitalization:	
• as at HK$3.15 per share *(based on closing price on 30 June 2009)*	HK$1,652 million (approximately US$212 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:
Jingsheng Huang *(Non-Executive Chairman of the Board)*
Han Zi Jing *(Executive Director and Chief Executive Officer)*
Teo Hong Kiong *(Executive Director and Chief Financial Officer)*
Zhang Huai Jun *(Executive Director and Chief Operating Officer)*
Paul Meyer *(Non-Executive Director)*
Peter Cosgrove *(Non-Executive Director)*
Mark Mays *(Non-Executive Director)*
Han Zi Dian *(Non-Executive Director)*
Mark Thewlis *(Non-Executive Director)*
Desmond Murray *(Independent Non-Executive Director)*
Leonie Ki Man Fung *(Independent Non-Executive Director)*
Wang Shou Zhi *(Independent Non-Executive Director)*
Jonathan Bevan *(Alternate Director to Mark Mays, Paul Meyer & Mark Thewlis)*
Zou Nan Feng *(Alternate Director to Zhang Huai Jun and Han Zi Dian)*

Company Secretary:	Lisa Cheong
Head Office:	16th Floor, Sunning Plaza 10 Hysan Avenue Causeway Bay Hong Kong
Registered Office:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Legal Advisors:	*Hong Kong and United States Law* Freshfields Bruckhaus Deringer *PRC Law* King & Wood PRC Lawyers *Bermuda Law* Conyers Dill & Pearman
Auditors:	Ernst & Young
Principal Bankers:	Shanghai Pudong Development Bank HSBC

Principal Share Registrar:
Butterfield Corporate Services Limited
11 Rosebank Centre
Bermudiana Road
Hamilton Bermuda

Hong Kong Share Registrar:
Tricor Tengis Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

Authorised Representatives:
Teo Hong Kiong
Lisa Cheong

Investor Relations Contact:
Lisa Cheong

PR Consultant:
iPR Ogilvy Ltd.

Corporate Websites:
www.clear-media.net
www.irasia.com/listco/hk/clearmedia