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**CHINA OUTDOOR MEDIA GROUP LIMITED**  
**中國戶外媒體集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 254)**

**SUBSCRIPTION OF NON-LISTED WARRANTS; AND  
SUBSCRIPTION OF CONVERTIBLE BONDS**

**SUBSCRIPTION OF NON-LISTED WARRANTS**

The Board is pleased to announce that the Company, on 19 February 2010 (after trading hours), entered into the Warrant Subscription Agreement with the Subscriber in relation to the subscription of 64,000,000 Warrants at the Issue Price of HK\$0.003125 per Warrant, which entitle the holder thereof to subscribe for up to 64,000,000 Shares at the Exercise Price of HK\$0.16 per Warrant Share for a period of two (2) years commencing from the date of issue of the Warrants. Each of the Warrants carries the right to subscribe for one Warrant Share.

As at the date of this announcement, the Company has a total of 1,149,285,000 Shares in issue. Assuming allotment and issue of the Warrant Shares from the full exercise of the subscription rights attaching to the Warrants, the Warrant Shares represent approximately 5.57% of the existing issued share capital of the Company and approximately 5.27% of the issued share capital as enlarged by the issue of the Warrant Shares. The issue of the Warrant Shares will be made under the General Mandate. The Company will apply to the Listing Committee for the listing of, and permission to deal in the Warrant Shares. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

The net proceeds of Warrant Subscription of approximately HK\$75,000 will be applied as general working capital of the Group.

The net issue price per Warrant, after deduction of relevant expenses, is approximately HK\$0.0012.

## **SUBSCRIPTION OF CONVERTIBLE BONDS**

The Board is pleased to announce that the Company, on 19 February 2010 (after trading hours), entered into the CB Subscription Agreement with the Subscriber in relation to the subscription of the Convertible Bonds for the aggregate principal amount of HK\$9,800,000.

The Convertible Bonds are convertible into Conversion Shares at the Conversion Price of HK\$0.16 per Conversion Share and on the terms detailed below in this announcement. Upon the exercise of the conversion rights attached to the Convertible Bonds in full, a total of 61,250,000 Conversion Shares will be allotted and issued.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon exercise of the conversion rights attached to the Convertible Bonds.

Subject to completion of the CB Subscription Agreement, the estimated net proceeds expected to be raised from the issue of the Convertible Bonds is approximately HK\$9,675,000, after deducting professional fees and all related expenses. The Company will use the net proceeds raised from the issue of the Convertible Bonds for general working capital of the Group.

The net issue price per Conversion Shares, after deduction of relevant expenses, is approximately HK\$0.1580.

As at the date of this announcement, the Company has a total of 1,149,285,000 Shares in issue. Assuming allotment and issue of the Conversion Shares from the full exercise of the conversion rights attaching to the Convertible Bonds, the Conversion Shares represent approximately 5.33% of the existing issued share capital of the Company and approximately 5.06% of the issued share capital as enlarged by the issue of the Conversion Shares. The issue of the Conversion Shares will be made under the General Mandate. The Company will apply to Listing Committee for the listing of, and permission to deal in the Conversion Shares. No listing of the Convertible Bonds will be sought on the Stock Exchange or any other stock exchanges.

## **THE WARRANT SUBSCRIPTION AGREEMENT**

### **Date**

19 February 2010 (after trading hours)

**Issuer** : The Company

**Subscriber** : The Subscriber

### **Number of Warrants**

A total of 64,000,000 Warrants will be issued under the Warrant Subscription Agreement and a total of 64,000,000 Warrant Shares will be issued under the General Mandate.

### **Issue Price**

HK\$0.003125 per Warrant.

The net issue price per Warrant, after deduction of relevant expenses, is approximately HK\$0.0012.

### **Exercise Price**

HK\$0.16 per Warrant Share, subject to adjustments for, among other things, subdivision or consolidation or reclassification of Shares, issue of Shares by way of capitalization of profit or reserves, distribution in cash or specie to the Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, or offer to Shareholders new Shares for subscription by way of rights, or grant to Shareholders any options, warrants or other rights to subscribe for or purchase any Shares, or issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares, or issue for cash of any Shares or the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company. The Exercise Price will not be adjusted as a result of the allotment and issue of the Conversion Shares.

The Exercise Price of HK\$0.16:

- (i) represents a discount of approximately 9.60% to the closing price of HK\$0.1770 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a discount of approximately 3.85% to the average of the closing prices of approximately HK\$0.1664 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- (iii) represents a discount of approximately 1.78% to the average of the closing prices of approximately HK\$0.1629 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and

- (iv) represents a premium of approximately 176.82% over the net asset value per Share of approximately HK\$0.0578 as at 30 June 2009 (based on the latest published audited net assets of the Group published on the Stock Exchange's website).

The aggregate of the Issue Price and the Exercise Price of HK\$0.163125 represents:

- (i) a discount of approximately 7.84% to the closing price of HK\$0.1770 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 1.97% to the average of the closing prices of approximately HK\$0.1664 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 0.14% over the average of the closing prices of approximately HK\$0.1629 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 182.22% over the net asset value per Share of approximately HK\$0.0578 as at 30 June 2009 (based on the latest published audited net assets of the Group published on the Stock Exchange's website).

Both the Issue Price and the aggregate of the Issue Price and the Exercise Price are determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. Given that the aggregate value of the Issue Price and the Exercise Price is at a premium of approximately 0.14% over the last ten trading days up to and including the Last Trading Day and at a premium of approximately 182.22% of the net asset value per Share as at 30 June 2009, the Directors consider that the Issue Price and the Exercise Price and the terms and conditions of the Warrant Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Transferability**

Subject to all applicable laws and regulations, the Warrants may be transferable to any person (save as the connected person of the Company) in integral multiples of 1,000,000 Warrants (or if at the time of transfer, the outstanding number of Warrants are less than 1,000,000, the whole but not part of the outstanding Warrants). The Company and the Directors will notify the Stock Exchange for any dealings by the connected persons of the Company in the Warrants from time to time immediately upon the Company becoming aware of it.

### **Completion of the Warrant Subscription**

Completion of the Warrants will take place on the third Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Warrant Subscription" below.

## **Information of the Warrants**

The Warrants will be issued to the Subscriber upon completion of the Warrants in registered form and constituted by a deed poll. The Warrants will rank pari passu in all respects among themselves. Each Warrant carries the right to subscribe for one Warrant Share at the Exercise Price and is issued at the Issue Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of two (2) years commencing from the date of issue of the Warrants. The Warrant Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares.

Upon full exercise of the subscription rights attaching to the Warrants, the Warrant Shares represents (i) approximately 5.57% of the existing issued share capital of the Company and (ii) approximately 5.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares from the full exercise of the subscription rights attaching to the Warrants.

## **Conditions of the Warrant Subscription**

Completion of the Warrant Subscription shall be subject to and conditional upon, among other things, the following:

- (i) (if required) the Listing Committee shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions; and
- (ii) the Listing Committee granting the listing of, and the permission to deal in, the Warrant Shares.

If the conditions of the Warrant Subscription are not fulfilled on or before the day falling the 60th day after the date of the Warrant Subscription Agreement (i.e. 20 April 2010) (or such later date as may be agreed between the Company and the Subscriber), the Warrant Subscription Agreement will be terminated and ceased to have any effect and neither of the parties shall have any claim against the other, save for any antecedent breaches of the provisions thereof.

## **Voting rights for the holders of the Warrants**

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

## **Mandate to issue the Warrant Shares**

The Warrant Shares will be allotted and issued under the General Mandate and therefore is not subject to separate Shareholders' approval. The Warrant Shares to be allotted and issued upon full exercise of the subscription rights attached to the Warrants utilize approximately 28.09% of the General Mandate.

## **THE CB SUBSCRIPTION AGREEMENT**

### **Date**

19 February 2010 (after trading hours)

**Issuer** : The Company

**Subscriber** : The Subscriber

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

Pursuant to the CB Subscription Agreement, the Company agreed to issue and the Subscriber agreed to subscribe for the two-year 4% coupon convertible bonds for an aggregate principal amount of HK\$9,800,000.

The principal terms of the Convertible Bonds are summarised below:

### **Amount of the Convertible Bonds**

An aggregate principal amount of HK\$9,800,000

### **Conversion Price**

HK\$0.16 per Conversion Share, which is subject to adjustments for, subdivision or consolidation of shares, rights issues and other dilutive events which may have adverse effects on the rights of the Bondholders. Any adjustment to the Conversion Price will be reviewed by the auditors of the Company. The Company will publish an announcement upon any adjustment to the Conversion Price.

The adjustments to the Conversion Price include the following:

- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by the Company, whether on a reduction or otherwise, to Shareholders (in their capacity as such) or a grant by the Company to Shareholders (in their capacity as such) or rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe new Shares being made by the Company to Shareholders (in their capacity as such) at a price which is less than the market price on the date of the announcement of the terms of the offer or grant;

- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares and the total effective consideration per Share receivable for such securities is less than 80% of the market price on the date of announcement of the terms of the issue of such securities; and
- (vi) an issue of Shares wholly for cash at a price per Share which is less than 80% of the market price on the date of announcement of the terms of such issue.

Allotment and issue of the Warrants Shares will not result in any adjustment to the Conversion Price.

The Conversion Price:

- (i) represents a discount of approximately 9.60% to the closing price of HK\$0.1770 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a discount of approximately 3.85% to the average of the closing prices of approximately HK\$0.1664 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day; and
- (iii) represents a discount of approximately 1.78% to the average of the closing prices of approximately HK\$0.1629 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber, after considering the Group's existing financial position, liquidity of the Shares in the market, the intended amount of funds to be raised and number of Conversion Shares. The net Conversion Price for the Conversion Shares is approximately HK\$0.1580. The Directors consider that the Conversion Price and the terms and conditions of the CB Subscription Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole.

### **Interest**

The Convertible Bonds carries an interest of 4% per annum payable annually in arrear.

### **Maturity date**

The maturity of the Convertible Bonds will be the date falling on the second anniversary of the date of issue of the Convertible Bonds. Any unredeemed and unconverted Convertible Bonds, shall be redeemed by the Company at 100% of the outstanding principal amount in cash.

### **Status**

The Convertible Bonds constitute general and unsecured obligations of the Company and shall rank equally among themselves at least pari passu with all other present and future unsecured obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

## **Terms of conversion**

The Bondholders shall have the right at any time after the date of issue of the Convertible Bonds to the date of maturity of the Convertible Bonds to convert any outstanding amount of the Convertible Bonds in multiples of HK\$1,000,000 into the Conversion Shares at the Conversion Price.

## **Conversion Shares**

Based on the Conversion Price of HK\$0.16, a maximum number of 61,250,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent:

- (i) approximately 5.33% of the existing issued share capital of the Company; and
- (ii) approximately 5.06% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

## **Mandate for allotment and issue of the Conversion Shares**

The allotment and issue of the Conversion Shares is not subject to Shareholders approval. The Conversion Shares will be issued under the General Mandate. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. The Convertible Bonds will not be listed on any stock exchange. Allotment and issue of the Conversion Shares, together with the allotment and issue of the Warrants Shares, will utilise approximately 54.97% of the General Mandate.

## **Early redemption**

The Company may, with the prior written consent of all the Bondholder(s), redeem all outstanding Convertible Bonds at 100% of the principal amount together with all interest thereto up to and including the date of early redemption by giving the Bondholders five Business Days prior written notice.

## **Voting**

The Bondholders of the Convertible Bonds will not be entitled to attend or vote at any meetings of the Company by reason only of being the Bondholders.

## **CONDITION PRECEDENT**

Completion of the CB Subscription Agreement is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval of the issue of the Convertible Bonds (if required) and the listing of, and permission to deal in, the Conversion Shares falling to be issued on the exercise of the conversion rights attached to the Convertible Bonds either unconditionally or subject to conditions to which the Subscriber and the Company may accept (both acting reasonably);



- (b) no event having occurred or occurring which would constitute an event of default or a potential event of default (both terms as defined in the instrument constituting the Convertible Bonds) had the Convertible Bonds been issued;
- (c) the Company being satisfied, from the date of the CB Subscription Agreement and at any time before completion of the CB Subscription, that the Subscriber's warranties given under the CB Subscription Agreement remain true and accurate in all material respects, and not misleading nor in breach in any material respect;
- (d) all consents, approvals, authorisations and permits required to be obtained on the part of the Company in relation to the CB Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (e) all consents, approvals, authorisations, and permits required to be obtained on the part of the Subscriber in relation to the CB Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (f) the Subscriber being satisfied, from the date of the CB Subscription Agreement and at any time before completion of the CB Subscription, that the warranties by the Company given remain true and accurate in all material respects, and not misleading nor in breach in any material respect.

If any of the conditions referred to above are not fulfilled (or waived) at or before 4:00 p.m. (Hong Kong time) on the date falling the 60th day after the date of the CB Subscription Agreement or such later time or date as may be agreed between the Subscriber and the Company in writing, the Subscriber may, at any time thereafter, terminate its obligations under the CB Subscription Agreement by notice in writing to the Company, whereupon the obligations of the Subscriber under the CB Subscription Agreement shall forthwith cease and terminate and neither the Company nor the Subscriber shall have any claim against any of the others, save for any antecedent breach hereof.

The conditions precedent (a), (d) and (e) are incapable of having waived. The Company may waive the condition precedent (c). The Subscriber may waive the conditions precedent (b) and (f). Such waiver may be given unconditionally or subject to such reasonable conditions as the Company or the Subscriber may impose having regard to the circumstances).

Subject to the fulfilment of the above conditions precedent, completion of the CB Subscription Agreement shall take place on or before the third Business Day (or such other date as the Company and the Subscriber may agree in writing) after fulfilment of all the above conditions precedent.

The Conversion Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Conversion Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of Conversion Shares.

## **Transferability**

The Convertible Bonds may be transferable to any person (save as the connected person of the Company) in integral multiples of HK\$1,000,000 (or if at the time of transfer, the outstanding number of Convertible Bonds are less than HK\$1,000,000, the whole but not part of the outstanding Convertible Bonds). The Company and the Directors will notify the Stock Exchange for any dealings by the connected persons of the Company in the Convertible Bonds from time to time immediately upon the Company becoming aware of it.

## **Information on the Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands and is principally engaged in investment holding and is wholly and beneficially owned by Ms. So Ka Yan (“Ms. So”). Ms. So became acquainted with the management of the Company at a social function and she is an investor who has been investing in the securities market in Hong Kong for years.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and Ms. So are an Independent Third Party. As at the date of this announcement, each of the Subscriber and Ms. So did not hold any Shares or have any business dealings with the Group.

## **REASONS FOR WARRANT SUBSCRIPTION AND CB SUBSCRIPTION AND USE OF PROCEEDS**

The Group is principally engaged in investments in provision of outdoor media advertising and media related services.

The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers but the Board believes that the Warrant Subscription and CB Subscription are more appropriate means of fund raising for the Company. The Warrant Subscription and the CB Subscription do not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon completion of the Warrant Subscription and CB Subscription, further share capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holder of the Warrants during the subscription period.

The Group is principally engaged in provision of outdoor media advertising and media related services for which a solid financial position is no doubt advantageous for the maintenance and growth of its principal business. The Directors are of the view that the Warrant Subscription and CB Subscription provide a good opportunity to strengthen the Company’s financial position, in particular in the event the Subscriber fully exercises its subscription right under the Warrants and to cater for future needs for its operation and development. In view of the above, the Directors consider that the Warrant Subscription and CB Subscription are in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Warrant Subscription will amount to approximately HK\$75,000. The net proceeds from the CB Subscription will amount to approximately HK\$9,675,000. The Company intends to apply the aggregate the net proceeds from the CB Subscription of approximately HK\$9,675,000, the net proceeds from Warrant Subscription of approximately HK\$75,000, together with the proceeds from the issue of the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants in the future, towards general working capital of the Group.

#### **FUND RAISING ACTIVITIES OF THE GROUP FOR THE PAST TWELVE MONTHS**

Save as disclosed below, the Group has on fund raising activities for the 12 months immediately preceding the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
6 May 2009	Issue of non-listed warrants	HK\$450,000	General working capital	General working capital

#### **CHANGE IN SHAREHOLDING STRUCTURE**

Save for the employee's share options and 160,000,000 Outstanding Warrants which entitle the holder(s) thereof to subscribe for an aggregate of 160,000,000 new Shares at an exercise price of HK\$0.20 per new Share, the Directors confirm that there are no other outstanding options or convertible securities and the number of Warrants and the Outstanding Warrants does not exceed 20% of the issued share capital of the Company as at the date of issue of the Warrants.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming all subscription rights attaching to the Warrants are exercised in full; and (iii) assuming all subscription rights attaching to the Warrants are exercised in full and the conversion rights attached to the Convertible Bonds are exercised in full.

Shareholders	As at the date of this announcement		Immediately after full exercise of the subscription rights attaching to the Warrants		Assuming all subscription rights attaching to the Warrants are exercised in full and the conversion rights attached to the Convertible Bonds are exercised in full	
	Number of Shares held	Approximate % of	Number of Shares held	Approximate % of	Number of Shares held	Approximate % of
		issued Shares		issued Shares		issued Shares
Mr Lau Chi Yuen, Joseph	273,581,900	23.80%	273,581,900	22.55%	273,581,900	21.46%
Win Today Limited (Note 1)	100,000,000	8.70%	100,000,000	8.24%	100,000,000	7.85%
Big Good Management Limited (Note 2)	88,800,000	7.73%	88,800,000	7.32%	88,800,000	6.97%
The Subscriber (Note 3)	–	–	64,000,000	5.27%	125,250,000	9.83%
Public Shareholders	686,903,100	59.77%	686,903,100	56.62%	686,903,100	53.89%
<b>Total</b>	<b>1,149,285,000</b>	<b>100%</b>	<b>1,213,285,000</b>	<b>100%</b>	<b>1,274,535,000</b>	<b>100%</b>

*Notes:*

1. Win Today Limited is a company incorporated in British Virgin Islands.
2. Big Good Management Limited is a company incorporated in British Virgin Islands.
3. The Subscriber is a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Ms. So Ka Yan, an Independent Third Party.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Bondholder(s)”	holder of the Convertible Bonds
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks generally are open for business in Hong Kong throughout their normal business hours
“CB Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the CB Subscription Agreement
“CB Subscription Agreement”	the subscription agreement dated 19 February 2010 entered into between the Company and the Subscriber in relation to the CB Subscription
“Company”	China Outdoor Media Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Conversion Price”	HK\$0.16 per Conversion Share
“Conversion Share(s)”	the 61,250,000 new Shares to be issued by the Company upon full exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the two-year 4% coupon convertible bond for the principal amount of HK\$9,800,000 to be issued by the Company to the Subscriber pursuant to the CB Subscription Agreement
“Director(s)”	the director(s) of the Company from time to time
“Exercise Price”	an initial exercise price of HK\$0.16 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Shares
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“General Mandate”	the general mandate to authorize the Directors to allot and issue up to 227,857,000 Shares pursuant to the resolution held at the annual general meeting of the Company held on 4 December 2009
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) which is/are third party(ies) independent of the Company and its connected person(s) as defined under the Listing Rules
“Issue Price”	HK\$0.003125 per Warrant to be issued pursuant to the Warrant Subscription Agreement
“Last Trading Day”	19 February 2010, being the last trading day of the Shares on which the Warrant Subscription Agreement and CB Subscription Agreement were entered into
“Outstanding Warrants”	the outstanding non-listed warrant(s) issued by Company pursuant to an subscription agreement dated 6 May 2009, details of which have been disclosed in the announcement by the Company dated 6 May 2009
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary shares with par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Orchid Touch Limited, a company incorporated in the British Virgin Islands
“Warrant(s)”	the 64,000,000 non-listed warrant(s) to be issued by Company pursuant to the Warrant Subscription Agreement
“Warrant Share(s)”	the 64,000,000 new Shares to be issued by the Company upon full exercise of the Warrants pursuant to the Warrant Subscription Agreement
“Warrant Subscription”	the subscription of the Warrants by the Subscriber at the Issue Price pursuant to the Warrant Subscription Agreement

“Warrant Subscription Agreement”	the Warrant Subscription Agreement dated 19 February 2010 entered into between the Company and the Subscriber in relation to the Warrant Subscription
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 19 February 2010

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