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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: 00254)**

### **AMENDMENTS OF TERMS OF THE CONVERTIBLE BONDS**

On 13 August 2010, the Company and the Bondholder entered into the Deed, pursuant to which the Company and the Bondholder agreed to amend the terms of the Convertible Bonds, such that the conversion period of the Restated Convertible Bonds shall commence on the date of issue of the Restated Convertible Bonds as oppose to six months after the date of issue of the Convertible Bonds.

The Proposed Alterations will be subject to:

- (a) (if necessary) the passing by the Shareholders at a general meeting of the Company to be convened and held, of the necessary resolutions to approve the Proposed Alterations;
- (b) the approval from the Stock Exchange of the Proposed Alterations in accordance with Rule 28.05 of the Listing Rules and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Restated Convertible Bonds; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Proposed Alterations having been obtained.

Reference is made to the announcement of the Company in relation to the very substantial acquisition dated 28 December 2009, the announcement of the Company in relation to extension of conditions fulfilment date dated 26 February 2010, the announcement of the Company in relation to the further extension of conditions fulfilment date dated 27 April 2010 and the announcement of the Company in relation to completion of very substantial acquisition dated 22 July 2010.

On 22 July 2010, the Group has completed an acquisition of the entire issued share capital of GMG Media. The consideration for the Sale Share was satisfied by among others, issuing of the Convertible Bonds in the principal amount of HK\$1,228,890,000 with the rights to convert into 9,453,000,000 Shares at an initial conversion price of HK\$0.130 per Share. The conversion period of the Convertible Bonds shall commence six months from the date of issue of the Convertible Bonds up to the Maturity Date. For further details of the Convertible Bonds, please refer to the announcement of the Company dated 28 December 2009.

## **THE DEED**

Date: 13 August 2010

Parties: (i) Company: China Outdoor Media Group Limited; and  
(ii) Bondholder: Fully Wealthy Inc..

The Bondholder is principally engaged in investment holding. The entire issued share capital of the Bondholder is legal and beneficially owned by Mr Jiang. Mr Jiang is a director of two subsidiaries of the Company.

### **Principal terms of the Deed**

Pursuant to the Deed, the Company shall alter and restate the terms of the Convertible Bonds to the effect that upon the restatement of the Convertible Bonds, the conversion period of the Restated Convertible Bonds shall commence on the date of issue of the Restated Convertible Bonds as oppose to six months after the date of issue of the Convertible Bonds.

Apart from the Proposed Alterations, the remaining terms and conditions of the Convertible Bonds remain intact and unchanged.

The Bondholder had initiated for the Proposed Alterations and brought up the same with the Company and the Proposed Alterations were arrived at after arm's length negotiations between the Bondholder and the Company.

### **Conditions precedent**

The Proposed Alterations will be subject to:

- (a) (if necessary) the passing by the Shareholders at a general meeting of the Company to be convened and held, of the necessary resolutions to approve the Proposed Alterations;
- (b) the approval from the Stock Exchange of the Proposed Alterations in accordance with Rule 28.05 of the Listing Rules and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Restated Convertible Bonds; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Proposed Alterations having been obtained.

The conditions are not waivable. If the conditions have not been satisfied on or before 12:00 noon on 30 September 2010, or such later date as the Company and the Bondholder may agree, the Deed shall cease and determine, and thereafter neither party to the Deed shall have any obligations and liabilities towards each.

The Proposed Alterations shall take place on the date falling on the next Business Day after the fulfilment of the conditions or such later date as may be agreed between the Company and the Bondholder.

## **REASONS FOR THE PROPOSED ALTERATIONS**

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

The Board is of the view that the Proposed Alterations will provide more flexibility to the Bondholder and will enable the Bondholder to convert the Convertible Bonds into Shares earlier. The Proposed Alterations will also improve the liquidity of the Convertible Bonds and will increase the chances of the holder(s) of the Convertible Bonds converting the Convertible Bonds into Shares, which in the eventuality would reduce the liabilities of the Company.

The Board believes that Proposed Alterations will be in the interests of the Company and the Shareholders as a whole and the Directors are of the view that the Proposed Alterations will not pose any significant impact on the operations of the Group.

## **GENERAL**

A circular containing, among other matters, further details of the Proposed Alterations and a notice to convene the EGM will be despatched to the Shareholders as soon as possible.

The Proposed Alterations are subject to, among others, the approval by the Shareholders at the EGM. Each of the Bondholder, Mr Jiang and their associates is required to abstain from voting at the EGM to approve the Proposed Alterations. As at the date of this announcement, the Bondholder, Mr Jiang and their associates do not hold any Shares.

## **DEFINITIONS**

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

“Agreement”	the conditional sale and purchase agreement dated 4 December 2009 entered into between Konmate Investments Limited, the Bondholder and Mr Jiang relating to the sale and purchase of the Sale Share
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	board of the Directors

“Bondholder”	Fully Wealthy Inc., a company incorporated in the British Virgin Islands with limited liability
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China Outdoor Media Group Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Stock Exchange
“Convertible Bonds”	the convertible bonds in the principal amount of HK\$1,228,890,000, issued by the Company in favour of the Bondholder in accordance with the terms and conditions of the Agreement
“Deed”	the deed dated 13 August 2010 entered into between the Bondholder and the Company relating to the alteration and restatement of the terms of the Convertible Bonds
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Proposed Alterations
“GMG Media”	GMG Media Group Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Mr Jiang”	Jiang Qi Hang is the legal and beneficial owner of the entire issued share capital of the Bondholder
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date of maturity of the Convertible Bonds, being the fifth anniversary of the date of issue of the Convertible Bonds
“Proposed Alterations”	the proposed alterations and restatement of the terms of the Convertible Bonds pursuant to the terms of the Deed

“Restated Convertible Bonds”	the Convertible Bonds as altered and restated pursuant to the terms of the Deed
“Sale Share”	one share of US\$1.00, being the entire issued share capital of GMG Media
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America

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

Hong Kong, 13 August 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.*