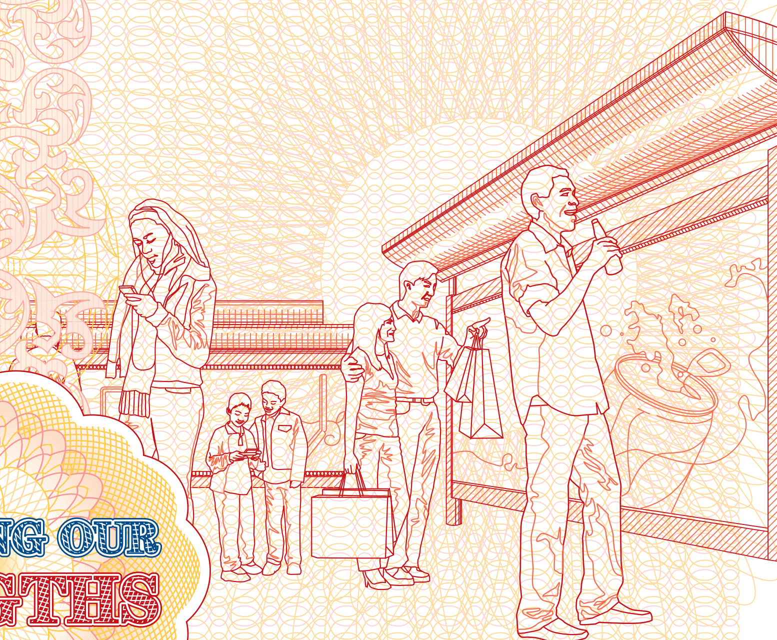
CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

LEVERAGING OUR STRENGTHS



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INTERIM REPORT 2010

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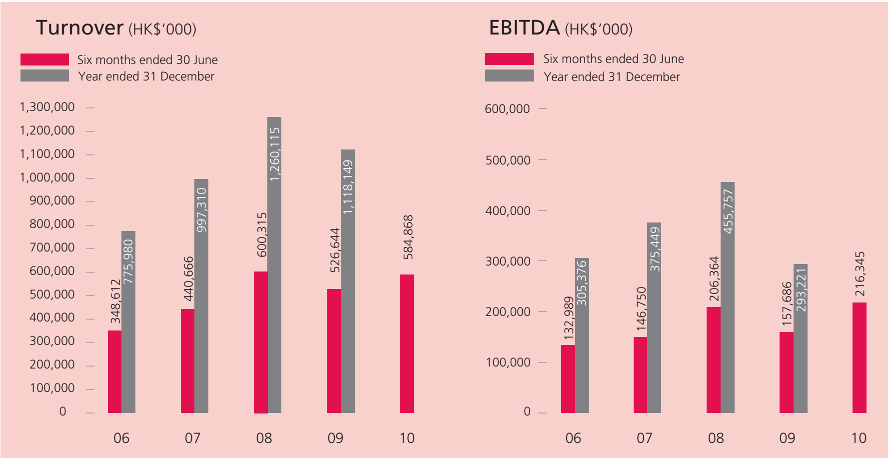
FINANCIAL HIGHLIGHTS

- Group turnover increased by 11% to HK$585 million
- EBITDA increased by 37% to HK$216 million
- Net profit increased by 172% to HK$77 million
- Basic earnings per share increased by 171% to HK 14.72 cents



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

The global economy saw steady recovery since mid-2009, following months of economic meltdown triggered by the global financial crisis. China led the way in this recovery with an 11.1% growth in GDP in the first half of 2010. Buoyed by a combination of consumption-friendly policy incentives, stable expansion in wage growth, acceleration of urbanisation and a growing middle-class, consumption emerged as a formidable force spearheading the country's economy. These trends are a good indicator of sustainable long-term growth in China's advertising market.

China's advertising market returned to a positive growth trend in the first half of 2010 and overall sentiment for advertising spending improved compared to the first half of 2009. Chinese brands and local advertisers, in particular, contributed additional money and spent more resources on advertising to raise their brand profiles and strengthen their communication with a growing group of brand-savvy consumers. Major events such as the 2010 Shanghai World Expo also provided an extra boost to the advertising market in China.

There were challenges, however. In preparation for the 2010 World Expo, the Shanghai authorities adopted new control measures and removed most outdoor advertising formats in the city. We were asked to re-design and re-construct most of our bus shelters in Shanghai and this process was completed prior to the 2010 World Expo, which commenced in May this year.

As part of the reconstruction program, however, we secured an exclusive 15-year concession contract with the Shanghai authorities. In addition, in response to the reduced supply in the outdoor advertising market, and in anticipation of increasing demand, we significantly raised our rate-cards and saw outstanding performance in Shanghai throughout 2010 to-date.

OPERATION REVIEW

Core Bus Shelter Advertising Business:

As at 30 June 2010, Clear Media operated the most extensive standardised bus shelter advertising network in China, with a total of over 32,000 bus shelter panels spanning 28 major cities. Against the backdrop of the global economic recovery since mid-2009 and the commencement of the Shanghai World Expo in May 2010, turnover of our core bus shelter advertising business increased by 11% to HK$542 million for the six months ended 30 June 2010, from HK$490 million for the same period last year.

Average sale price ("ASP") increased by 14% in the six months ended 30 June 2010 compared to the same period in the previous year, while occupancy rate increased from 55% to 56%.

The 2010 Shanghai World Expo, which began in May 2010, significantly boosted demand and selling prices of bus shelters in the city during the first half of this year. (See Operation Review – Core Bus Shelter Advertising Business – Key Cities.) Further, the Group terminated the short-term arrangement with the Hangzhou authority to operate 600 panels which were previously priced at a deep discount; this resulted in a higher ASP in Huangzhou for the current six-month period. Excluding the impact brought about by Shanghai and Huangzhou, ASP increased by 6% for the current six-month period compared to the same period last year while occupancy rate increased from 55% to 57%.

The total number of bus shelter panels increased from approximately 31,000 as at 31 December 2009 to 32,000 as at 30 June 2010, mainly due to the Group's strategic investment in Shanghai in preparation for the 2010 World Expo. The average number of bus shelter panels available for sale, calculated on a time-weighted basis, on the other hand, decreased by 5% to 29,298 panels (1H09: 30,849 panels). Under the challenging operating environment in 2009, the Group subcontracted out and disposed of certain low-yield cities, including Tianjin and Chongqing, and temporarily removed low-efficiency bus shelters from the saleable inventory in order to save rental and direct costs. The termination of the short-term arrangement with the Hangzhou authority to operate certain panels also contributed to the reduction in the average number of panels available for sale.

The top three industries that contributed to Clear Media's turnover were beverages, food and telecommunications. Advertiser sentiment improved significantly compared to 2009. The rapid recovery of many local and Chinese brands after the global economic slowdown and the increased spending on advertising by the World Expo sponsors have helped to boost orders from the food and beverage sectors.

Key Cities

During the six-month period, the average number of bus shelter panels in the top three cities – Beijing, Shanghai and Guangzhou – accounted for 41% of the Group's total number of bus shelter panels (1H09: 40%). Aggregate sales revenue from these three first-tier cities was HK$293 million for the current period, representing a 9% increase from HK$269 million in the same period last year, and accounting for 54% of total revenue from our core bus shelter business (1H09: 55%).

Sales revenue from Beijing increased by 2% during the six months ended 30 June 2010 to HK$127 million (1H09: HK$125 million). Although ASP decreased by 4%, occupancy rate improved from 52% to 57% compared to the same six-month period last year. This is in line with the Group's strategy of striking an optimal balance between rate card increase and maximising occupancy rate. The Group also temporarily dismantled and relocated some bus shelters from Beijing to other cities; hence, the average number of bus shelters in Beijing decreased by 5% during the current period.

Sales revenue from Shanghai increased by 42% to HK$92 million for the six months ended 30 June 2010 (1H09: HK$65 million). In anticipation of the rising demand during the World Expo period, the Group raised its rate cards for Shanghai; hence, ASP increased by 46% during the current period compared to the same period last year.

In preparation for the 2010 World Expo, the Shanghai authorities tightened controls over the outdoor media market including dismantling and refurbishing of most outdoor advertising formats in the city. According to the new initiatives, the Group re-constructed and replaced a number of existing bus shelters with the newly-designed format approved by the local authorities. As a result of the re-construction project, which was completed prior to the 2010 World Expo commencing in May 2010, the average number of bus shelter panels in Shanghai increased by 3%. Due to the timing of the completion of the reconstruction project, occupancy rate decreased from 50% to 47%. The Group will continue to invest and further expand its bus shelter network in Shanghai.

Despite a 9% increase in ASP, the Group's bus shelter business in Guangzhou recorded a 7% decline in revenue, to HK$74 million, for the six months ended 30 June 2010 (1H09: HK$79 million). In preparation for the Guangzhou Asian Games, the Group co-operated with the local authorities and temporarily dismantled and relocated some bus shelters. As a result, the average number of bus shelters decreased by 4% during the current six-month period. The disruption to our operation caused by the relocation of bus shelters coupled with the intense competition from other small- to medium-sized outdoor media players contributed to a decline in occupancy rate from 63% to 56%.

Mid-Tier Cities

Revenue from all mid-tier cities increased by 13% to HK$249 million for the six months ended 30 June 2010 from HK$221 million for the same period last year. ASP increased by 16% and occupancy rate improved from 55% to 57%. The average number of bus shelter panels deceased by 7%, mainly due to the termination of the short-term arrangement between the Group and the Hangzhou authority to operate around 600 panels, the long-term subcontracting of the operation in Tianjin and the disposition of the operation in Chongqing.

During the same period, Chengdu, Nanjing and Xi'an performed relatively well, thanks to the Group's district sales centres established in recent years to boost local sales and cultivate new local advertisers. Shenzhen, on the other hand, has been negatively affected by the strong price competition from other local outdoor operators.

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 2010, sales from this business venture amounted to HK$42 million, a 31% increase compared to HK$32 million for the same period in 2009. The Group also re-negotiated with the Shenzhen authority in order to reduce total direct costs incurred in this venture. As a result, net loss from this business narrowed to HK$3 million for the current six-month period from HK$8 million in the same period last year.

Other advertising formats:

In light of the changes in market conditions in 2009, the Group restructured its non-core businesses and terminated its arrangement with an independent third party in connection with the bus body subcontracting business in Guangzhou. As a result, revenue from the Group's other advertising formats decreased to less than HK$1 million for the current six-month period from HK$5 million in the same period last year.

FINANCIAL REVIEW

Turnover

As a result of the global economic recovery and the commencement of the 2010 Shanghai World Expo, the Group's turnover increased by 11% to HK$585 million for the six months ended 30 June 2010 from HK$527 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 increased by 11% to HK$542 million for the six months ended 30 June 2010 (1H09: HK$490 million).

The Shenzhen bus body advertising business generated HK$42 million of revenue for the current six-month period, an increase of 31% from HK$32 million for the same period last year. Contributions from other advertising formats decreased to HK$1 million (1H09: HK$5 million) after the Group's bus body subcontracting business in Guangzhou was terminated.

Expenses

During the six months ended 30 June 2010, the Group's total direct operating costs, including rental, electricity, maintenance, sales and cultural levies and production cost, increased by 6%, to HK$272 million, from HK$256 million for the same period last year. The Group continued to exercise cautious cost control and as a result, total direct operating costs, as a percentage of total sales, decreased to 46% for the current six-month period from 49% in the same period last year.

Total rental costs increased by 4% for the current six-month period mainly due to the one-off cost savings achieved in the first half of 2009 after active negotiation with the local authorities and the higher rental rates in Shanghai for the new bus shelters. Total rental costs, as percentage of total revenue, however, decreased to 26% for the current six-month period, from 28% in the same period last year. Cleaning and maintenance costs, and sales and cultural levies, each remained at 8% of total revenue while electricity costs decreased to 4% of total revenue, from 5% a year ago.

Amortisation charges incurred on the bus shelters and other advertising formats increased slightly by 1% to HK$116 million (1H09: HK$114 million). As a percentage of total sales, amortisation expenses decreased to 20% compared to 22% for the same period last year.

Total selling, general and administrative expenses, excluding depreciation and amortisation, decreased by 14% to HK$96 million for the six months ended 30 June 2010 (1H09: HK$111 million), mainly due to a write-back of HK$20 million share option expenses incurred in previous years in connection with 6,500,000 shares of options granted in June 2007 (the "2007 Options"). Based on the information available up to 30 June 2010, being the vesting date of the 2007 Options, management does not consider it likely that the vesting condition will be met and as such the share option expenses of the 2007 Options recognised in previous years amounting to HK$20 million have been reversed in the current period ("Share Option Expense Adjustment"). Excluding the impact of the Share Option Expense Adjustment, total selling, general and administrative expenses, excluding depreciation and amortisation, increased by 4% to 116 million, mainly due to higher staff costs incurred during the current six-month period.

The Group continued to impose cautious control over sales, marketing costs and indirect overheads. Total selling, general and administrative expenses, excluding depreciation, amortisation and Share Option Expense Adjustment, as a percentage of total sales, decreased to 20% for the current six-month period from 21% in the same period last year.

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 37% to HK$216 million for the six months ended 30 June 2010 from HK$158 million in the same period last year mainly due to the higher turnover in the current period. EBITDA margin increased from 30% to 37%. Excluding the impact from the Share Option Expense Adjustment, EBITDA increased by 25% to HK$196 million while EBITDA margin increased to 34%.

EBIT

The Group's earnings before interest and tax ("EBIT") increased by 142% to HK$97 million for the current six-month period from HK$40 million in the same period last year. Excluding the impact from the Share Option Expense Adjustment, EBIT increased by 92% to HK$77 million, mainly due to higher sales turnover coupled with cautious control over direct and indirect costs.

Finance Costs

During the period under review, the Group carried no debt hence the finance cost incurred was minimal at HK$1 million (1H09: HK$2 million).

Taxation

During the period, taxes levied on the Group increased to HK$18 million for the six months ended 30 June 2010 from HK$10 million for the same period last year. This was primarily due to the increase in assessable profits as a result of the higher turnover during the current period.

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 at an average rate of 23.5% (2009: 22.5%) on its assessable profits arising in the PRC for the current period. The tax rate will increase eventually to 25% in 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 increased by 172% to HK$77 million for the six months ended 30 June 2010 from HK$28 million for the same period last year, while net profit margin increased to 13% from 5%. Excluding the impact of the Share Option Expense Adjustment, net profit increased by 101% to HK$57 million generating a 10% net profit margin.

Cashflow

Net cash flows from operating activities for the six months ended 30 June 2010 increased to HK$105 million from HK$29 million for the same period last year, mainly due to the higher operating profit for the current period and improvement in working capital management.

Net cash flows used in investing activities during the current period increased to HK$141 million from HK$50 million for the same period last year due to a higher level of capital expenditure spent on expansion of the Company's bus shelter network, particularly in Shanghai in preparation for the 2010 World Expo.

Net cash flows from financing activities during the current period increased to HK$57 million from HK$45 million in the same period last year mainly due to the increase in share capital as a result of the exercise of 4,632,000 shares of options, partially offset by a lower amount of pledged deposits.

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, decreased to HK$40 million for the current six-month period compared to HK$100 million in the same period last year. The decrease was mainly due to higher capital expenditure spent on expanding the Company's bus shelter network, partially compensated by a higher EBITDA generated in the current period.

Trade Receivables

The Group's accounts receivable balance due from third parties increased by 13% to HK$421 million as at 30 June 2010 from HK$374 million as at 31 December 2009. This was mainly due to the higher sales turnover during the current period and slower repayment by certain customers. 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 receivable 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 90 days, extending up to 180 days for major customers. The Group seeks to maintain cautious control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The accounts receivable relates to a large number of diversified customers and there is no significant concentration of credit risk.

Average accounts receivable outstanding days, on a time-weighted basis, decreased to 129 days for the current six-month period from 161 days for the same period last year. As at 30 June 2010, the provision for impairment of accounts receivables increased to HK$43 million from HK$37 million as at 31 December 2009. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is prudent.

As at 30 June 2010, the amount due from GWH increased to HK$162 million from HK$130 million as at 31 December 2009, mainly due to a higher sales turnover from the customers represented by GWH during the current six-month period. We will continue to work closely with GWH to expedite cash collection.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2010 decreased to HK$279 million from HK$287 million as at 31 December 2009.

Total prepayments, deposits and other receivables included the receivables from Beijing Pangu Investment Co., Ltd. (formerly known as Beijing Morgan Investment Company, Limited) ("BMIC") amounting to RMB100 million (approximately HK$114 million) (31 December 2009: RMB134 million (approximately HK$152 million)).

In April 2007, the Group signed the LED screens advertising sales management contract with BMIC and the cooperation arrangements thereunder. Due to changes in the operating environment during the global financial crisis, the Group terminated such LED screens advertising sales management contract with BMIC; and 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 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 had been assigned to the WHA Joint Venture as security for the BMIC Receivable and would be transferred to the WHA Joint Venture unless BMIC repaid the amount in full. The value of these properties has been independently valued, and is in excess of the amount due.

In May 2010, a portion of the BMIC Receivable, or the Group's share of capital expenditure for LED screens construction of RMB34 million, was repaid. Subsequently, on 3 August 2010, the WHA Joint Venture and BMIC entered into a new agreement whereby the repayment schedule of the remaining balance of the BMIC Receivable of RMB100 million will be settled in the next twelve months.

Total prepayments, deposits and other receivables as at 30 June 2010 also included a HK$30 million rental prepayment in connection with the Shenzhen bus body advertising business (31 December 2009: HK$1 million).

Long-term Prepayments, Deposits and Other Receivables

Total long-term prepayments, deposits and other receivables mainly included HK$25 million (31 December 2009: HK$25 million) of deposit placed with an independent third party in connection with the acquisition of the Guangzhou bus body advertising rights. The arrangement was terminated in 2009 and the deposit will be repaid in 2011. The carrying amount of the deposit approximates to its fair value and is secured by the title to certain assets.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2010 were HK$322 million, compared to HK$344 million as at 31 December 2009. The decrease was mainly due to a decrease in bus shelter rental cost 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 2010, the Group's total assets amounted to HK$3,010 million, a 3% increase from HK$2,914 million, as at 31 December 2009. The Group's total liabilities slightly decreased to HK$372 million as at 30 June 2010, from HK$376 million as at 31 December 2009. Net assets as at 30 June 2010 increased by 4% to HK$2,638 million from HK$2,538 million as at 31 December 2009. This was mainly a result of the retention of the net profit earned in the six months ended 30 June 2010 and foreign exchange gain from translation of the Group's RMB operation in mainland China. Net current assets increased from HK$903 million as at 31 December 2009, to HK$967 million as at 30 June 2010.

As at 30 June 2010, the Group's total cash and bank balances amounted to HK$441 million (31 December 2009: HK$421 million). The Group also had pledged deposits of RMB10 million (approximately HK$11 million) to banks as security for bills payable of RMB19 million (approximately HK$22 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital increased to HK$52,900,050 as at 30 June 2010 from HK$52,436,850 as at 31 December 2009. During the current six-month period, 4,632,000 share options were exercised at a subscription price of HK$3.51. Total shareholders' equity for the Group as at 30 June 2010 rose by 4%, to HK$2,638 million, from HK$2,538 million as at 31 December 2009. The Group's reserves as at 30 June 2010 amounted to HK$2,533 million, a 4% increase over the corresponding balance of HK$2,435 million as at 31 December 2009. This was mainly a result of the retention of the net profit earned in the six months ended 30 June 2010 and the foreign exchange difference from translation of the Group's RMB operation in mainland China. 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 announcement, 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 foreign exchange rate of the Renminbi has appreciated by 0.9% against the Hong Kong Dollar during the period ended 30 June 2010. The Group's turnover and costs are largely denominated in Renminbi, 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 Renminbi appreciation.

The majority of our operating assets is located in the PRC and is denominated in Renminbi. The foreign exchange rate of the Renminbi has appreciated slightly against the Hong Kong Dollars during the period, and has resulted in an increase of foreign currency translation reserve of approximately HK$22 million (1H09: HK$1 million).

Liquidity, Financial Resources, Borrowing and Gearing

The Group financed its operations and investment activities mainly with internally generated cash flow.

As of 30 June 2010, the Group's total cash and cash equivalents amounted to HK$441 million (HK$421 million as at 31 December 2009). As at the same period end, the Group had bills payable of HK$22 million (31 December 2009: HK$97 million). The Group had no short-term or long-term debt outstanding as at 30 June 2010 (31 December 2009: Nil).

The Group's current policy 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 invest and expand our bus shelter network and explore investment opportunities in alternate media assets with an aim to maximise return to shareholders.

Capital Expenditure

For the six months ended 30 June 2010, the Group spent HK$145 million on the construction of new bus shelters and obtaining bus shelter concession rights, and HK$4 million on fixed assets, compared to HK$32 million and HK$2 million, respectively, for the same period last year. Total capital expenditure increased for the current period mainly due to the reconstruction of new bus shelters in Shanghai (see Operation Review – Core Bus Shelter Advertising Business – Key Cities). The Group will continue to explore acquisition opportunities and expand its core bus shelter network.

Material Acquisitions and Disposals

There were no other material acquisitions or disposals of any subsidiaries, associates or joint ventures of the Group during the six months ended 30 June 2010.

Employment, Training and Development

As at 30 June 2010, the Group had a total of 536 employees, a decrease of 9% over the same period in 2009. As a result of the Group's cost control measures, the sales and marketing divisions have been streamlined to improve operational efficiency. Total wages and salaries increased by 9% during the current six-month period mainly due to higher sales commission incurred.

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 the performance of both the Group and the individual 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 2010, other than time deposits of RMB10 million (approximately HK$11 million) pledged as securities for bills payable of RMB19 million (approximately HK$22 million).

Capital Commitments

As at 30 June 2010, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to HK$41 million (31 December 2009: HK$35 million).

Contingent Liabilities

During the six months ended 30 June 2010, 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

Looking to the second half of this year and further beyond, we are confident that China's outdoor media market will continue to enjoy healthy growth on the back of the sound economic development of the country. We will continue to capture the opportunities surrounding the 2010 Shanghai World Expo in the third quarter and the Guangzhou Asian Games in the fourth quarter of this year.

In view of this, the Company will further enhance its district sales centres in the three first-tier cities and build new district sales centres in other cities throughout the country. We are committed to developing new customers and expanding our clientele, with the aim of increasing the occupancy rate of our bus shelters. Currently, our order-book-on-hand has reached nearly 80% of our full-year sales target, slightly higher than the position around the same time in the previous year.

Looking ahead, we believe the trend of a rising middle class and increased consumerism and tourism in China will provide a good opportunity for our customers to showcase their brands and products on our nationwide network. We will continue to invest and expand our core bus-shelter network in depth into the more profitable cities. Our target in 2010 is to add a total of 1,500 bus shelters across the nation. We will also continue to explore potential merger and acquisition opportunities of bus shelters in mid-tier cities and of other advertising formats with a strategic focus – on the bases of leveraging our existing resources and competitive advantages.

With our healthy financial position, ample operating cash flow, high-caliber team and strong business foundation, the Group aims to maintain its leadership in China's outdoor advertising industry in order to maximise our shareholders' value.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Revenue	3	**584,868**	526,644
Cost of sales	5	**(387,306)**	(370,272)
Gross profit		**197,562**	156,372
Other income	3	**1,279**	1,201
Selling and distribution costs		**(62,099)**	(56,105)
Administrative expenses	5	**(37,357)**	(58,558)
Other expenses	5	**(829)**	(1,498)
Finance costs	4	**(1,398)**	(1,646)
PROFIT BEFORE TAX		**97,158**	39,766
Tax	6	**(18,245)**	(10,016)
PROFIT FOR THE PERIOD		**78,913**	29,750
ATTRIBUTABLE TO:			
Equity holders of the parent		**77,333**	28,469
Minority interests		**1,580**	1,281
		78,913	29,750
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	7	**HK14.72 cents**	HK5.43 cents
Diluted	7	**HK14.54 cents**	HK5.43 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	For the six months ended 30 June 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Profit for the period	**78,913**	29,750
Other comprehensive income:		
Exchange differences on translating foreign operations	**22,278**	977
Income tax	**–**	–
Other comprehensive income for the period, net of tax	**22,278**	977
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**101,191**	30,727
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**100,028**	29,466
Minority interests	**1,163**	1,261
	101,191	30,727

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	**30 June 2010 (Unaudited) HK$'000**	31 December 2009 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**40,008**	36,950
Concession rights	10	**1,615,161**	1,573,787
Long-term prepayments, deposits and other receivables	11	**40,100**	40,824
Total non-current assets		**1,695,269**	1,651,561
Current assets			
Trade receivables	12	**421,291**	374,201
Prepayments, deposits and other receivables	13	**279,183**	287,011
Due from a related party	14	**161,835**	129,630
Pledged deposits		**10,890**	51,230
Cash and cash equivalents		**441,308**	420,719
Total current assets		**1,314,507**	1,262,791
Total assets		**3,009,776**	2,914,352

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	15	**52,900**	52,437
Retained earnings		**971,372**	894,039
Other components of equity		**1,561,812**	1,540,626
		2,586,084	2,487,102
Minority interest		**52,122**	50,959
Total equity		**2,638,206**	2,538,061
Non-current liabilities			
Net deferred tax liabilities		**24,238**	16,801
Total non-current liabilities		**24,238**	16,801
Current liabilities			
Other payables and accruals		**321,783**	344,358
Deferred income		**10,770**	6,897
Tax payable		**14,779**	8,235
Total current liabilities		**347,332**	359,490
Total liabilities		**371,570**	376,291
Total equity and liabilities		**3,009,776**	2,914,352

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to equity holders of the parent								
	Issued Share capital HK$'000	Share Premium account HK$'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 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
As at 1 January 2010	52,437	767,043	35,712	351,007	386,864	894,039	2,487,102	50,959	2,538,061
Profit for the period	–	–	–	–	–	77,333	77,333	1,580	78,913
Other comprehensive income	–	–	–	–	22,695	–	22,695	(417)	22,278
Total comprehensive income for the period	–	–	–	–	22,695	77,333	100,028	1,163	101,191
Issue of shares	463	22,349	(6,554)	–	–	–	16,258	–	16,258
Share issue expenses	–	(4)	–	–	–	–	(4)	–	(4)
Equity-settled share option arrangements	–	–	(17,300)	–	–	–	(17,300)	–	(17,300)
At 30 June 2010 (unaudited)	52,900	789,388	11,858	351,007	409,559	971,372	2,586,084	52,122	2,638,206

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cash generated from operations	**109,055**	30,827
Interest paid	**–**	(1,831)
Income taxes paid	**(4,552)**	–
NET CASH FLOWS FROM OPERATING ACTIVITIES	**104,503**	28,996
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(140,512)**	(49,606)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**56,594**	44,692
NET INCREASE IN CASH AND CASH EQUIVALENTS	**20,585**	24,082
Cash and cash equivalents at beginning of period	**420,719**	209,631
Effects of foreign exchange rate changes, net	**4**	(40)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**441,308**	233,673

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 Accountants.

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

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 2009, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2010:

HKFRS 1 (Revised)	*First – time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share – based Payment – Group Cash – settled Share – based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments*: *Recognition and Measurement – Eligible Hedged Items*
HK (IFRIC) – Int 17	*Distributions of Non – cash Assets to Owners*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non – current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HKFRSs (Amendments)	*Improvements to HKFRSs 2009*

HKFRS 1 (Revised) was issued with an aim to improve the structure of the standard. The revised version of the standard does not make any changes to the substance of accounting by first – time adopters. As the Group is not a first – time adopter of HKFRSs, the amendments have no financial impact on the Group.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

The HKFRS 2 Amendments provide guidance on how to account for cash – settled share – based payment transactions in the separate financial statements of the entity receiving the goods and services when the entity has no obligation to settle the share – based payment transactions. The amendments also incorporate guidance that was previously included in HK (IFRIC) – Int *8 Scope of HKFRS 2* and HK (IFRIC) – Int 11 *HKFRS 2 – Group and Treasury Share Transactions*. The amendments did not have any significant implications on the Group's accounting for share – based payments.

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognition, the reported results in the period that an acquisition occurs, and future reported results. While the adoption of the revised standard may result in changes in certain accounting policies, the revised standard did not have any financial impact on the Group.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will not have any impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates and* HKAS 31 *Interests in Joint Ventures*. As the Group has not undertaken such transactions, the adoption of revised standard has no financial impact on the Group.

The HKAS 32 Amendment revises the definition of financial liabilities such that rights, opinion or warrants issued to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments, provided that the entity offers the rights, opinion or warrants pro rata to all of its existing owners of the same class of its own non – derivative equity instruments. As the Group currently has no such rights, opinion or warrants in issue, the amendment is unlikely to have any financial impact on the Group.

The HKAS 39 Amendment addresses the designation of a one – sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. As the Group has not entered into any such hedges, the amendment did not have any financial impact on the Group.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

HK (IFRIC) – Int 17 standardizes practice in the accounting for non – reciprocal distributions of non – cash assets to owners. The interpretation clarifies that (i) a dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity; (ii) an entity should measure the dividend payable at the fair value of the net assets to be distributed; and (iii) an entity should recognize the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. Other consequential amendments were made to HKAS 10 *Events after the Reporting Period* and HKFRS 5 *Non – current Assets Held for Sale and Discontinued Operations*. While the adoption of the interpretation may result in changes in certain accounting policies, the interpretation did not have any material financial impact on the Group.

The amendments to HKFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non – controlling interest. As the Group currently has no such sale plan, the amendment did not have any financial impact on the Group.

Improvements to HKFRSs

In May 2009, the HKICPA issued its *Improvements to HKFRSs 2009* which set out amendments to a number of HKFRSs. 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 2 *Share – based Payment:* Clarifies that a contribution of a business on the formation of a joint venture and combination of entities or businesses under common control is not within the scope of HKFRS 2 even though it is outside the scope of HKFRS 3.

(b) HKAS 1 *Presentation of Financial Statements:* States that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

(c) HKAS 7 *Statement of Cash Flows:* Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Improvements to HKFRSs (continued)

(d) HKAS 17 *Leases:* Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this Interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

(e) HKAS 36 *Impairment of Assets:* Clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment as defined in HKFRS 8 *Operating Segments* before aggregation for financial reporting purposes.

(f) HKAS 38 *Intangible Assets:* Clarifies that (i) if an intangible asset acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognize the group of assets as a single asset provided that the individual assets have similar useful lives; and (ii) the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used.

(g) HKAS 39 *Financial Instruments: Recognition and Measurement*: Clarifies that (i) a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract; (ii) the scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken; and (iii) gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Improvements to HKFRSs (continued)

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First – time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First – time Adopters*
HKFRS 5	*Non–current Assets Held for Sale and Discontinued Operations*
HK (IFRIC) – Int 9	*Reassessment of Embedded Derivatives*
HK (IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*

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.

3. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue		
Rental revenue from outdoor advertising spaces	**584,868**	526,644
Other income		
Interest income	**1,279**	1,201

4. FINANCE COSTS

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interests on other borrowings wholly repayable within five years	**–**	777
Other finance costs	**1,398**	869
	1,398	1,646

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of services provided	**121,316**	111,787
Operating lease rentals on bus shelters, unipoles and bus body operations	**150,322**	144,284
Amortisation of concession rights	**115,668**	114,201
Cost of sales	**387,306**	370,272
Impairment of accounts receivable	**10,058**	10,093
Auditors' remuneration	**845**	755
Depreciation of owned assets	**3,400**	3,275
Other expenses:		
Gain on disposal of items of property, plant and equipment	**(124)**	(11)
Loss on disposal of concession rights	**953**	1,509
	829	1,498
Operating lease rentals on buildings	**10,506**	9,423
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**56,134**	51,588
Equity-settled share option expenses		
– Reversal of previous years	**(20,000)***	–
– Current year	**2,700**	4,600
Pension scheme contributions	**92**	89
	38,926	56,277
Interest income	**(1,279)**	(1,201)

5. PROFIT BEFORE TAX (continued)

Note:

* On 29 June 2007, the Company granted 6.5 million share options with an exercise price of HK$8.53 ("the 2007 Options"). The 2007 Options will not become vested unless the Company achieves an average annual earnings per share growth of 5% each year in the first three full financial years after the grant date.

Based on the information available up to 30 June 2010, being the vesting date of the 2007 Options, management does not consider it likely that the vesting condition will be met and as such the share option expenses of the 2007 Options recognised in previous years amounting to HK$20 million have been reversed in the current period.

6. TAX

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Hong Kong profits tax	**–**	–
Current – PRC corporate income tax	**10,808**	5,300
Deferred tax	**7,437**	4,716
Total tax charge for the period	**18,245**	10,016

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 an average rate of 23.5% (2009: 22.5%) 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.

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$77,333,000 (six months ended 30 June 2009: HK$28,469,000) and the weighted average number of 525,470,000 (six months ended 30 June 2009: 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$77,333,000 (six months ended 30 June 2009: HK$28,469,000). The weighted average number of ordinary shares used in the calculation is the 525,470,000 (six months ended 30 June 2009: 524,368,500) ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of 6,472,000 (six months ended 30 June 2009: nil) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

8. DIVIDEND

The Board of Directors resolved not to pay any interim dividend to shareholders in respect of the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired property, plant and equipment with a cost of HK$4,409,000 (six months ended 30 June 2009: HK$1,680,000), and incurred construction in progress with a cost of HK$35,865,000 (six months ended 30 June 2009: HK$1,809,000).

Property, plant and equipment with a net book value of HK$1,000 were disposed of by the Group during the six months ended 30 June 2010 (six months ended 30 June 2009: nil), resulting in a net gain on disposal of HK$124,000 (six months ended 30 June 2009: HK$11,000).

10. CONCESSION RIGHTS

During the six months ended 30 June 2010, the Group acquired concession rights with a cost of HK$143,362,000 (six months ended 30 June 2009: HK$35,888,000), including concession rights transferred from construction in progress of HK$34,132,000 (six months ended 30 June 2009: HK$5,272,000).

Concession rights with a net book value of HK$1,143,000 were disposed of by the Group during the six months ended 30 June 2010 (six months ended 30 June 2009: HK$1,537,000), resulting in a net loss on disposal of HK$953,000 (six months ended 30 June 2009: HK$1,509,000).

11. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

A long-term deposit amounting to HK$25,000,000 (31 December 2009: HK$25,000,000) 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 arrangement was terminated in 2009 and the deposit is to be refunded to the Group in 2011. The carrying amount of the long-term deposit approximates to its fair value and is secured by the title to certain assets.

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 90 days extending up to 180 days for major customers. The Group seeks to maintain control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group's trade receivables relate to a large number of diversified customers and are non-interest-bearing.

12. TRADE RECEIVABLES (continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Current to 90 days	**214,966**	182,287
91 days to 180 days	**98,415**	127,310
Over 180 days	**151,161**	101,921
	464,542	411,518
Less: Provision for impairment of trade receivables	**(43,251)**	(37,317)
Total trade receivables, net	**421,291**	374,201

The movements in provision for impairment of trade receivables are as follows:

	For the six months ended 30 June	
	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
At 1 January	**37,317**	25,667
Impairment losses recognised (note 5)	**10,058**	10,093
Amount written off as uncollectible	**(4,124)**	(2,908)
At 30 June	**43,251**	32,852

The above provision for impairment of trade receivables is a provision to cover balances for which the Group has initiated legal proceedings and to cover other contingencies. The Group does not hold any collateral or other credit enhancements over these balances.

12. TRADE RECEIVABLES (continued)

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

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Neither past due nor impaired	**291,660**	302,677
Less than 3 months past due	**72,167**	45,296
Over 3 months past due	**27,073**	12,488
	390,900	360,461

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.

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.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2010 included a receivable with Beijing Pangu Investment Co., Ltd. (“BMIC”) amounting to RMB100,000,000 (31 December 2009: 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. The parties to the Agreement have agreed that the estimated value of such property interests is in excess of the amount due.

BMIC repaid RMB34 million to WHA Joint Venture in May 2010. Both parties agreed on 3 August 2010 that the repayment schedule of the remaining balances amounting to approximately RMB100 million to be settled in the next twelve months.

14. DUE FROM A RELATED PARTY

An aged analysis of the amounts due from the related party as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Current to 90 days	**61,282**	35,169
91 days to 180 days	**33,703**	30,802
Over 180 days	**66,850**	63,659
	161,835	129,630

The balance with the related party is unsecured, interest-free and is repayable on demand.

15. ISSUED CAPITAL

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Shares		
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
529,000,500 ordinary shares of HK$0.10 each (31 December 2009: 524,368,500)	**52,900**	52,437

During the period ended 30 June 2010, the subscription rights attaching to 4,632,000 share options were exercised at subscription prices HK$3.51 per share, resulting in the issue of 4,632,000 shares of HK$0.1 each for a total consideration, before expenses, of HK$16,258,000. The related transaction costs amounted to HK$4,000.

16. 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 19 of the report.

17. 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	
		2010	2009
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Agency commission paid to Guangdong White Horse Advertising Company Limited ("GWH")	(i)	**16,751**	10,779
Sales to GWH	(ii)	**94,920**	61,081
Creative services fees payable to GWH	(iii)	**1,710**	1,702

Notes:

(i) The agency commission paid to GWH was based on the standard percentage of gross sales rental revenue for outdoor advertising spaces payable to other major third party agencies used by the Group. On 8 February 2010, the WHA Joint Venture entered into a three-year framework agreement with GWH for the years 2010, 2011 and 2012 on substantially the same terms as the framework agreements previously entered into between the WHA Joint Venture and GWH. 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 with his 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 other major customers and advertising agencies of the Group.

17. RELATED PARTY TRANSACTIONS (continued)

(iii) 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.

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

On 10 January 2010, 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 year to the end of the fiscal year 2010. In consideration of extension of such profit sharing arrangement, China Outdoor Media (HK) made a one-off payment of HK$250,000 to Hainan White Horse.

China Outdoor Media (HK) has an option to further extend such profit sharing agreement for a further year thereafter to the end of the fiscal year 2011, subject to a further one-off payment of HK$250,000.

(b) Outstanding balances with a related party

The Group had outstanding receivables from GWH of HK$161,835,000 (31 December 2009: HK$129,630,000), as at the end of the reporting period. The balance is unsecured, interest-free and has no fixed terms of repayment.

17. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employee benefits	**4,926**	4,706
Employee share option benefits		
– Reversal of previous years	**(10,743)**	–
– Current year	**1,316**	2,444
Pension scheme contributions	**49**	47
Total compensation paid to key management personnel	**(4,452)**	7,197

18. COMMITMENTS

(a) Capital commitments

	30 June 2010	31 December 2009
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Contracted, but not provided for:		
The construction of bus shelters for which concession rights are held	**40,924**	35,418

(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.

18. COMMITMENTS (continued)

(b) Commitments under operating leases (continued)

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Within one year	**249,815**	250,395
In the second to fifth year, inclusive	**745,792**	676,931
After five years	**650,981**	416,265
	1,646,588	1,343,591

(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 2010, the amount of the total minimum guaranteed payment under the above contract is analysed as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Within one year	**62,998**	57,625
In the second to fifth year, inclusive	**33,919**	67,213
	96,917	124,838

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.

19. APPROVAL OF THE INTERIM FINANCIAL REPORT

These condensed interim financial statements were approved and authorised for issue by the board of directors on 3 August 2010.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2010, 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Model Code"), were as follows:

A. Long Positions in Ordinary Shares of the Company as at 30 June 2010:

	Number of shares held, capacity and nature of interest					
Name of director	Directly beneficially owned	Through spouse or minor children	Through controlled corporation (Note)	Beneficiary of a trust	Total	% of the Company's issued share capital
Han Zi Jing	613,000	–	7,700,000	–	8,313,000	1.57%
Zhang Huai Jun	666,000	–	–	–	666,000	0.13%
Zou Nan Feng	666,000	–	–	–	666,000	0.13%

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 2010, 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 48.

B. Long Positions in the Shares of Clear Channel Outdoor Holdings, Inc. as 30 June 2010: *(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
Jonathan Bevan	19,458	–	–	–	19,458	0.005
Mark Thewlis	10,708	–	–	–	10,708	0.003

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

C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2010:

Name of director	Date of grant	Number of outstanding options as at 30 June 2010	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
William Eccleshare	10/09/2009	20,000	10/09/2010 – 10/09/2019	US$7.020
	10/09/2009	20,000	10/09/2011 – 10/09/2019	US$7.020
	10/09/2009	7,680	10/09/2010 – 10/09/2019	US$7.020
	10/09/2009	15,360	10/09/2010 – 10/09/2019	US$7.020
	10/09/2009	7,680	10/09/2011 – 10/09/2019	US$7.020
	10/09/2009	15,361	10/09/2011 – 10/09/2019	US$7.020
	10/09/2009	7,680	10/09/2012 – 10/09/2019	US$7.020
	10/09/2009	15,360	10/09/2012 – 10/09/2019	US$7.020
	10/09/2009	7,681	10/09/2013 – 10/09/2019	US$7.020
	10/09/2009	15,361	10/09/2013 – 10/09/2019	US$7.020
	24/02/2010	15,523	24/02/2011 – 24/02/2020	US$9.570
	24/02/2010	15,524	24/02/2012 – 24/02/2020	US$9.570
	24/02/2010	15,523	24/02/2013 – 24/02/2020	US$9.570
	24/02/2010	15,524	24/02/2014 – 24/02/2020	US$9.570

Name of director	Date of grant	Number of outstanding options as at 30 June 2010	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
Jonathan Bevan	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
	24/02/2010	15,863	24/02/2011 – 24/02/2020	US$9.57
	24/02/2010	15,863	24/02/2012 – 24/02/2020	US$9.57
	24/02/2010	15,863	24/02/2013 – 24/02/2020	US$9.57
	24/02/2010	15,862	24/02/2014 – 24/02/2020	US$9.57

Name of director	Date of grant	Number of outstanding options as at 30 June 2010	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
Mark Thewlis	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
	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
	24/02/2010	11,897	24/02/2011 – 24/02/2020	US$9.57
	24/02/2010	11,897	24/02/2012 – 24/02/2020	US$9.57
	24/02/2010	11,897	24/02/2013 – 24/02/2020	US$9.57
	24/02/2010	11,897	24/02/2014 – 24/02/2020	US$9.57
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 "Share Option Schemes" below, at no time during the six months ended 30 June 2010 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. Share Options granted on 29 June 2007 (the "2007 Options") 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. Based on the information available up to 30 June 2010, being the vesting date of the 2007 Options, management does not consider it likely that the vesting condition of the 2007 Options will be met. As a result, the share option expenses in relation to the 2007 Options recognised in previous years amounting to HK$20 million have been reversed in the current period.

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 2010, the aggregate number of shares issuable under share options granted under both the New Scheme and the Old Scheme was 23,400,000, which represented approximately 4.42% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 23,400,000 additional ordinary shares of HK$0.10 each in the Company and proceeds, before relevant share issue expenses, of approximately HK$109,180,000.

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 and outstanding 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	1,900,000	–	(1,900,000)	–	–	–	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	4.26	4.46
	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	–	–
		7,000,000	–	(1,900,000)	–	–	5,100,000						
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	–	–
		2,300,000	–	–	–	–	2,300,000						

Name or category of participant	Type of share option scheme	Number of share options						Date of grant of share options*	Exercise period	Exercise price per share**	Price of the Company's shares***		
		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				At grant date of options	Immediately before the exercise date	At exercise date of options
										HK$	HK$	HK$	HK$
Zhang Huai Jun	The Old Scheme	666,000	–	(666,000)	–	–	–	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	4.26	4.46
	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	–	–
		3,066,000	–	(666,000)	–	–	2,400,000						
Zou Nan Feng	The Old Scheme	666,000	–	(666,000)	–	–	–	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	4.26	4.46
	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	–	–
		2,266,000	–	(666,000)	–	–	1,600,000						

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$
Others													
Members of senior management and other employees of the Group	The Old Scheme	1,400,000	–	(1,400,000)	–	–	–	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	5.15	5.10
	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	–	–
		13,400,000	–	(1,400,000)	–	–	12,000,000						
In aggregate	The Old Scheme	4,632,000	–	(4,632,000)	–	–	–	28/05/2003	28/05/2006 to 27/05/2010	3.51	3.50	4.53	4.65
	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	–	–
		28,032,000	–	(4,632,000)	–	–	23,400,000						

* The vesting period of the share options is from the date of grant until the commencement of the exercise period except for the 2007 Options 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. Based on the information available up to 30 June 2010, being the vesting date of the 2007 Options, management does not consider **it likely** that the vesting condition of the 2007 Options will be met.

** 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.

During the six months ended 30 June 2010, no share options were granted by the Company.

Apart from the foregoing, at no time during the six months ended 30 June 2010 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 2010, 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	51.34%
International Value Advisers, LLC	2	52,492,600	9.92%
Samana Capital Europe L.P. (formerly ZAM Europe L.P.)	3	41,744,000	7.89%
Artio Global Management LLC (formerly Julius Baer Investment Management LLC)	4	31,155,940	5.89%

Notes:

1. As at 30 June 2010, 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 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 16 March 2010, 52,492,600 shares were held by it.

3. ZAM Europe, L.P. notified the Stock Exchange that as at 27 February 2007, 40,169,000 shares were held by it. ZAM Europe, L.P. is a corporation controlled by PBK Holdings, Inc., which is a corporation controlled by Philip Korsant. On 4 February 2010, Samana Capital Europe L.P. (formerly ZAM Europe L.P.) notified the Stock Exchange that as at 1 February 2010, 41,744,000 shares were held by it.

4. Artio International Equity Fund (formerly Julius Baer International Equity Fund) notified the Stock Exchange that as at 28 October 2008, 30,835,602 shares 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 2010, no person or corporation, other than the directors and chief executive of the Company, whose interests are set out in the section headed “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 2010 are in line with the code provisions set out in the Code on Corporate Governance Practices contained in 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 2010, 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-month 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 2010. 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

3 August 2010

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 2010	529,000,500 shares
Nominal Value:	HK$0.10 per share
Market Capitalization:	
• as at HK$4.29 per share *(based on closing price on 30 June 2010)*	HK$2,269 million (approximately US$291 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)*
William Eccleshare *(Non-Executive Director)*
Peter Cosgrove *(Non-Executive Director)*
Jonathan Bevan *(Non-Executive Director)*
Mark Thewlis *(Non-Executive Director)*
Han Zi Dian *(Non-Executive Director)*
Desmond Murray *(Independent Non-Executive Director)*
Leonie Ki Man Fung *(Independent Non-Executive Director)*
Wang Shou Zhi *(Independent Non-Executive Director)*
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

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