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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)

CLARIFICATION ANNOUNCEMENT

The Directors wish to clarify that as the Bondholder is wholly and beneficially owned by Mr. Jiang and Mr. Jiang is a director of subsidiary of the Company, pursuant to Chapter 14A of the Listing Rules, the Bondholder is a connected person of the Company. The Proposed Alterations constitutes a non-exempted connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and approval from Independent Shareholders requirements.

The Board also announces that the Company and the Bondholder entered into the Supplemental Deed on 17 August 2010 to amend certain terms of the Deed.

Pursuant to the Supplemental Deed, the Revised Proposed Alterations will be subject to (if necessary) the passing by the Independent Shareholders at a general meeting of the Company to be convened and held, of the necessary resolutions to approve the Revised Proposed Alterations, instead of (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.

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, the announcement of the Company in relation to completion of very substantial acquisition dated 22 July 2010 and the announcement (the “**Amendment Announcement**”) of the Company in relation to amendments of terms of the Convertible Bonds dated 13 August 2010. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Amendment Announcement.

The Directors wish to clarify that as the Bondholder is wholly and beneficially owned by Mr. Jiang and Mr. Jiang is a director of subsidiary of the Company, pursuant to Chapter 14A of the Listing Rules, the Bondholder is a connected person of the Company. The Proposed Alterations constitutes a non-exempted connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and approval from Shareholders (the “**Independent Shareholders**”) which are not required to abstain from voting at the general meeting to approve a connected transaction requirements.

THE SUPPLEMENTAL DEED

The Board also announces that the Company and the Bondholder entered into the supplemental deed (the “**Supplemental Deed**”) on 17 August 2010 to amend certain terms of the Deed.

Pursuant to the Supplemental Deed, the proposed alterations and restatement of the terms of the Convertible Bonds (the “**Revised Proposed Alterations**”) pursuant to the terms of the Deed (as amended by the Supplemental Deed) will be subject to (if necessary) the passing by the Independent Shareholders at a general meeting of the Company to be convened and held, of the necessary resolutions to approve the Proposed Alterations, instead of (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.

The Revised Proposed Alterations were arrived at after arm’s length negotiations between the Bondholder and the Company. The Board believes that the Revised Proposed Alterations are fair and reasonable and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

A circular containing, among other matters, further details of the Revised Proposed Alterations, the letter from the independent financial adviser to the independent board committee (the “**Independent Board Committee**”) comprising all the independent non-executive Directors, which will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Revised Proposed Alterations and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders and a notice to convene the EGM will be despatched to the Shareholders as soon as possible within 15 Business Days of the date of the Amendment Announcement.

The Revised Proposed Alterations are subject to, among others, the approval by the Independent 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 Revised Proposed Alterations. As at the date of this announcement, the Bondholder, Mr. Jiang and their associates do not hold any Shares.

Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Revised Proposed Alterations. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regards.

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

Hong Kong, 17 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 are Mr. Cheng Sheung Hing, Mr. Cheng Kwong Choi, Alexander, and Mr. Law Tai Yan.