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CHINA OUTDOOR MEDIA GROUP LIMITED

中國戶外媒體集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 254)

VOLUNTARY ANNOUNCEMENT

(1) MEMORANDUM OF UNDERSTANDING RELATING TO ACQUISITION OF THE ENTIRE INTEREST IN TARGET COMPANY 1; AND (2) EXTENSION OF THE EXCLUSIVITY PERIOD FOR THE PROPOSED ACQUISITION 2

Reference is made to the announcements dated 18 October 2011 and 21 December 2011 issued by the Company respectively.

The Board announces that the Exclusivity Period under MOU 1 expired on 16 January 2012 and further that on 17 January 2012 (after trading hours), the Company through its wholly-owned subsidiary, the Purchaser, entered into MOU 3 with the Vendors pursuant to which the Purchaser has indicated an intention to acquire from the Vendors an aggregate of 100% of the issued share capital of the Target Company 1. The MOU 3 is non-legally binding save for certain provisions relating to due diligence, exclusivity, costs and expenses, confidentiality, governing law and jurisdiction and general provisions.

The Board also announces that on 17 January 2012 (after trading hours), the Purchaser served notices with the Vendors 2 to extend the Exclusivity Period for the Proposed Acquisition 2 for a period of three months pursuant to MOU 2.

Shareholders and potential investors are reminded that discussions in respect of the Proposed Acquisitions are still ongoing and no formal agreement has been entered into or may ever be entered into. As such, there is no certainty that the Proposed Acquisitions may proceed. Care should be exercised when dealing in shares of the Company.

Reference is made to the announcements dated 18 October 2011 and 21 December 2011 issued by the Company respectively.

The Proposed Acquisition 3

The Board announces that the Exclusivity Period under MOU 1 expired on 16 January 2012 and that on 17 January 2012 (after trading hours), the Purchaser entered into MOU 3 with the Vendors, pursuant to which the Purchaser has indicated an intention to acquire and the Vendors have also expressed their intention to sell an aggregate of 100% of the issued share capital of the Target Company 1.

To the best knowledge and belief of the Directors after making all reasonable enquiries, the Vendors, namely Investors Best Holdings Limited, Zhejiang Daily Media Holding Group (Hong Kong) Limited, Hong Kong Tian Zhong Media Company Limited and Winchester Investment Global Limited, currently own an aggregate 100% of the issued share capital of Target Company 1. The acquisition of the relevant issued capital of Target Company 1 by the Purchaser from the Vendor 3 is subject to the approval from the relevant regulatory authority(ies) in the PRC. To the best knowledge and belief of the Directors after making all reasonable enquiries, the Vendors, their ultimate beneficial owners and their respective associate are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Vendors have agreed not to enter into any discussion or negotiation with other third parties similar or in relating to the Proposed Acquisition 3 for a period of 3 months from the date of the MOU 3. The Vendors further agreed that the Company shall have the right to extend the Exclusivity Period for a further 3 months.

Save and except the clauses regarding due diligence, exclusivity, costs and expenses, confidentiality, governing law and jurisdiction and general provisions which are legally binding, all other provisions of the MOU 3 are non-legally binding.

With the entering into of MOU 3, the Group entered into non-legally binding memorandum of understanding with the shareholders for the acquisition of the 100% of the issued share capital of Target Company 1. The Board expects that the Company could not only develop the “Tao” + “Taobao Tianxia” Magazine and its direct response online shopping business as well as other businesses, but also expand other businesses in new media, including but not limited to mixing the latest new media businesses such as 3 net integration of cell phones, the Internet and TV net as well as i-cloud technology.

Terms of the Proposed Acquisition 3 are subject to further negotiation and may involve cash and/or Shares and/or securities convertible into Shares. No formal agreement has been entered into between the parties. The Proposed Acquisition 3 is still subject to further negotiation and may or may not proceed. Further announcement will be made if and when required.

Extension of the Exclusivity Period for the Proposed Acquisition 2

The Board announces that on 17 January 2012 (after trading hours), the Purchaser served notices with the Vendors 2 (the “**Notices**”) to extend the Exclusivity Period for the Proposed Acquisition 2 for a period of three months pursuant to MOU 2. According to the Notices, the Exclusivity Period for the Proposed Acquisition 2 has been extended to 16 April 2012 (inclusive of 16 April 2012).

Shareholders and potential investors are reminded that discussions in respect of the Proposed Acquisitions are still ongoing and no formal agreement has been entered into or may ever be entered into. As such, there is no certainty that the Proposed Acquisitions may proceed. Care should be exercised when dealing in shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	China Outdoor Media Group Limited
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the period during which the Vendors 2 and the Vendors cannot enter into any discussion or negotiation with other third parties similar or in relation to the Proposed Acquisitions
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOU 1”	a non-legally binding memorandum of understanding dated 17 October 2011 entered into between the Purchaser and the Vendor 1 in relation to the Proposed Acquisition 1
“MOU 2”	a non-legally binding memorandum of understanding dated 17 October 2011 entered into between the Purchaser and the Vendors 2 in relation to the Proposed Acquisition 2
“MOU 3”	a non-legally binding memorandum of understanding dated 17 January 2012 entered into between the Purchaser and the Vendors in relation to the Proposed Acquisition 3
“PRC”	the People’s Republic of China
“Proposed Acquisitions”	the Proposed Acquisition 2 and the Proposed Acquisition 3
“Proposed Acquisition 1”	the proposed acquisition of 44% of the issue share capital of the Target Company 1 by the Purchaser from the Vendor 1
“Proposed Acquisition 2”	the proposed acquisition of the entire issued share capital of the Target Company 2 by the Purchaser from the Vendors 2
“Proposed Acquisition 3”	the proposed acquisition of an aggregate of 100% of the issued share capital of the Target Company 1 by the Purchaser from the Vendors

“Purchaser”	GMG Media Group Limited, a wholly owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Target Company 1”	Zhejiang Daily Join-Home Media Holding Group Limited, a company incorporated in Hong Kong with limited liability
“Target Company 2”	Dimension Digital Marketing Limited, a company incorporated in Hong Kong with limited liability
“Vendor 1”	Investors Best Holdings Limited
“Vendors 2”	Triscom Investments Limited and Wazup Sunshine Limited
“Vendor 3”	Zhejiang Daily Media Holding Group (Hong Kong) Limited, a limited liability company incorporated in Hong Kong
“Vendor 4”	Hong Kong Tian Zhong Media Company Limited, a limited liability company incorporated in Hong Kong
“Vendor 5”	Winchester Investment Global Limited, a limited liability company incorporated in the British Virgin Islands
“Vendors”	Vendor 1, Vendor 3, Vendor 4 and Vendor 5

By Order of the Board
China Outdoor Media Group Limited
Tsui Wing Cheong, Sammy
Director

Hong Kong, 17 January 2012

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Gang, Mr. Zhu Defu, Mr. Tsui Wing Cheong, Sammy, Ms. Hu Wei, Mr. Lau Chi Yuen, Joseph, Mr. Lu Liang and Mr. Tang Lap Chin, Richard, the non-executive Director of the Company is Dr. Gao Hong Xing, the independent non-executive Directors of the Company are Ms. Tay Sheve Li, Mr. Cheng Sheung Hing and Mr. Cheng Kwong Choi, Alexander.