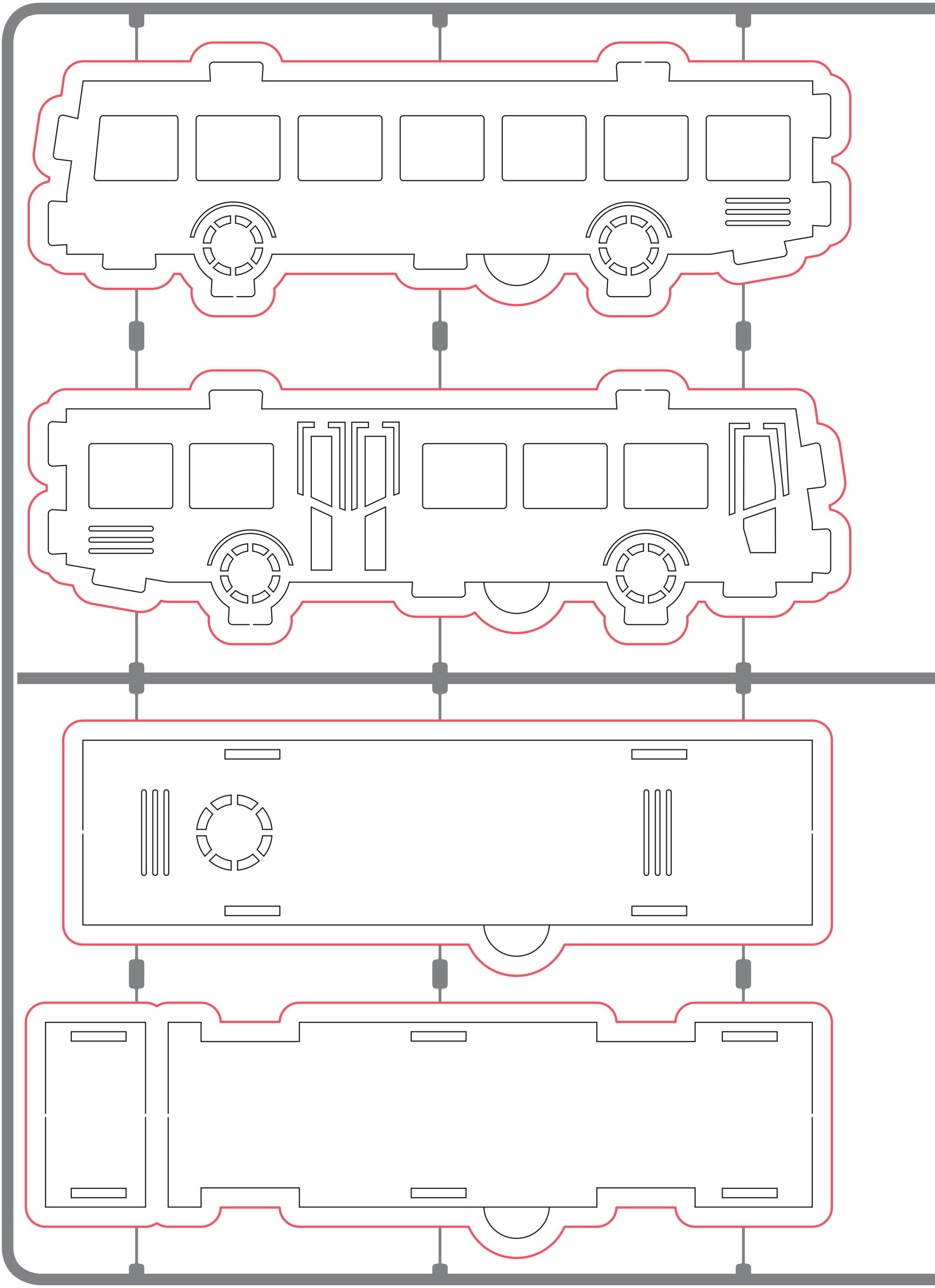
CLEAR MEDIA LIMITED

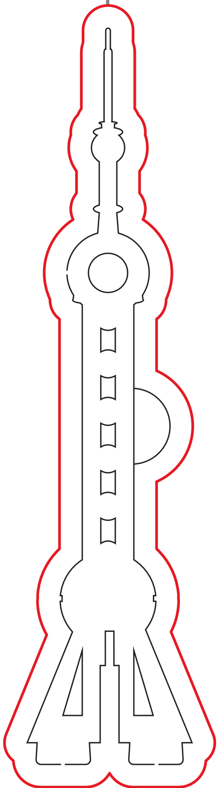
白馬戶外媒體有限公司

Stock Code: 100

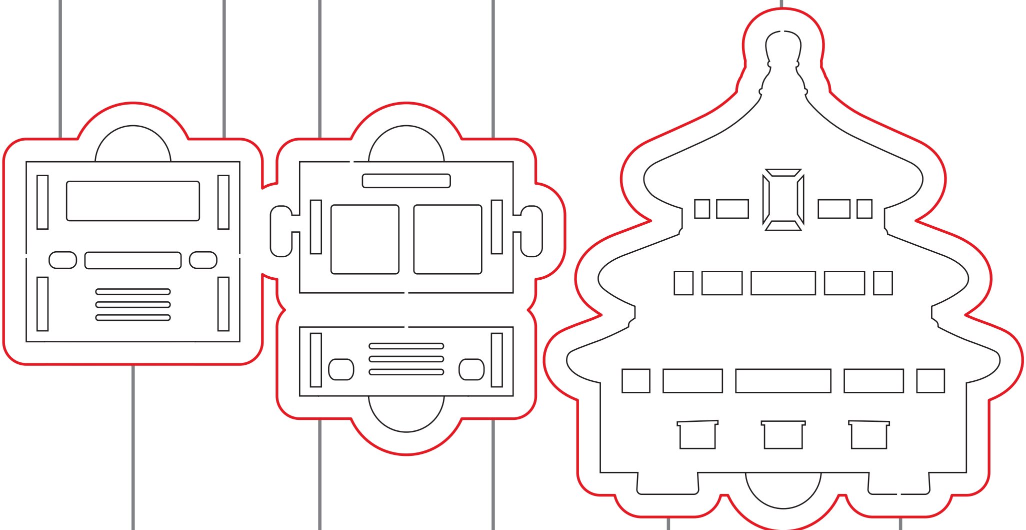
Our Creation **For The Road Ahead**

Interim Report **2016**



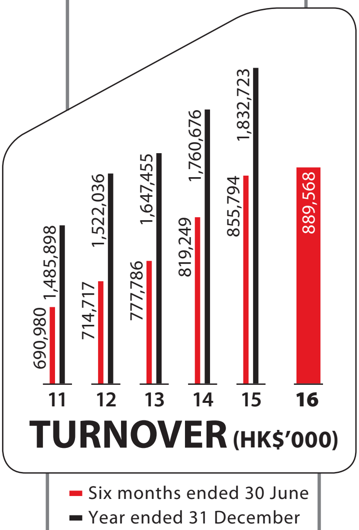


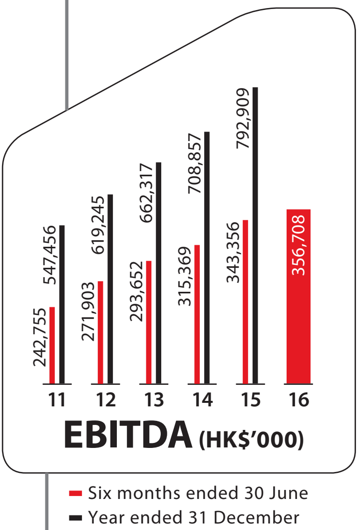
Content



Financial Highlights

- The Group's total turnover increased by 3.9% to HK$889.6 million. The depreciation of the RMB reduced revenue growth by approximately 5.2%.
- EBITDA increased by 3.9% to HK$356.7 million. The depreciation of the RMB reduced EBITDA growth by approximately 5.2%.
- EBIT increased by 2.0% to HK$169.1 million. The depreciation of the RMB reduced EBIT growth by approximately 5.3%.
- Net profit[1] increased by 7.0% to HK$108.0 million. The depreciation of the RMB reduced net profit growth by approximately 5.6%.
- Basic earnings per share increased by 6.5% to HK19.95 cents.
- The Directors proposed a special dividend of HK37 cents per share.





[1] Net profit attributable to shareholders of the Company

INDUSTRY OVERVIEW

During the first half of 2016, economic growth in Mainland China continued to be moderate while the operating environment remained challenging and volatile, with many last minute changes and cancellation of orders.

There was a considerable increase in demand from clients in the e-commerce and IT sectors. The revenue contribution from the e-commerce sector increased to 28% (1H2015: 13%) and that from the IT sector increased to 17% (1H2015: 12%). In particular, major clients in the e-commerce section were active with their advertising campaigns very early this year.

In general, the advertisers from traditional industries appeared to be cautious with their advertising spend.

OPERATION OVERVIEW

Bus Shelter Advertising Business

As of 30 June 2016, Clear Media operated the most extensive standardized bus shelter advertising network in Mainland China, with a total of more than 47,000 panels. (1H2015: 44,000 panels) covering 26 cities. Our bus shelter advertising revenue, net of value added tax, increased by 3.9% to HK$889.6 million. The depreciation of RMB reduced revenue growth by approximately 5.2%.

The average number of bus shelter panels increased by 7.6% year on year during the six-month period.

The average selling price before value added tax ("ASP") decreased modestly by 6.6% year on year during the six-month period, primarily due to incentives offered to retain customers' spending with us. The overall occupancy rate increase to 61.3% (1H2015: 59.2%). The revenue growth was primarily driven by the increase in our average number of panels in operation during the period under review.

OPERATION OVERVIEW (continued)

Key Cities

For the six months ended 30 June 2016, the revenue from Guangzhou, Shanghai and Beijing increased by 10.7% to HK$542.1 million (1H2015:HK$489.7 million). Among the three cities, revenue performance was led by Shanghai, followed by Beijing and then Guangzhou.

Shanghai

The revenue from Shanghai increased by 28.9% to HK$134.5 million (1H2015: HK$104.3 million) due to a 9.5% increase in the average number of bus shelter panels and a higher occupancy rate at 58.1% (1H2015: 45.3%). The ASP decreased by 8.1%.

Beijing

The revenue from Beijing increased by 10.5% to HK$248.8 million (1H2015: HK$225.1 million) due to a 2.5% increase in the average number of bus shelter panels and a higher occupancy rate at 74.4% (1H2015: 66.2%). The ASP decreased by 4.0%.

Guangzhou

The revenue from Guangzhou decreased by 0.9% to HK$158.9 million (1H2015: HK$160.4 million) due to the 5.5% decrease in ASP and the decrease in occupancy rate to 60.1% (1H2015: 64.5%). The average number of bus shelter panels increased by 12.6%.

Mid-tier Cities

The revenue from all mid-tier cities decreased by 4.0% to HK$393.8 million (1H2015: HK$410.0 million) due to the 10.1% decrease in ASP and the decrease in occupancy rate to 58.4% (1H2015: 58.9%). The average number of bus shelter panels increased by 7.7%.

Among the mid-tier cities where the Company operates, Shenzhen, Shenyang and Jinan performed particularly well during the period with double-digit growth in revenue.

OPERATION OVERVIEW (continued)

Digital

As of 30 June 2016, we operated a total of 257 digital panels in Nanjing (1H2015: 209). Total sales generated from the digital operation amounted to HK$6.7 million (1H2015: 7.0 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover increased by 3.9% to HK$889.6 million during the first half of 2016. The depreciation of RMB reduced revenue growth by approximately 5.2%.

Other Income

Other income decreased from HK$7.2 million in the prior period to HK$2.6 million mainly due to lower bank fixed deposits interest income.

Expenses

During the six months ended 30 June 2016, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, increased by 3.2% to HK$345.8 million (1H2015: HK$335.0 million).

The rental costs for our core bus shelter advertising business increased by 11.5% during the current six-month period. The increase was mainly driven by the increase in the number of bus shelter panels. In addition, in 1H 2015 we have reversed certain rent provisions amounting to HK$19.8 million made in the normal course of business which was subject to negotiations on an ongoing basis with the relevant authority in 1H 2015. The reversal of this provision in 1H 2016 was not as significant as compared to the same period last year.

FINANCIAL REVIEW (continued)

Expenses (continued)

Electricity cost decreased by 10.2% mainly due to the conversion of fluorescence light tubes to LED lighting structures which resulted in lower electricity consumption and cost savings and the impact of the depreciation of the RMB against the HK Dollar during the period. The impact is partially offset by the increase in the number of bus shelter panels.

Cleaning and maintenance costs decreased by 8.5% mainly due to lower repair costs incurred, the impact of the depreciation of the RMB against the HK Dollar during the period and an adjustment to the ratio of cleaning and maintenance expenses subsidized by the Hainan White Horse Advertising Co., Ltd., (the "Hainan White Horse") the non-controlling shareholder of Hainan White Horse Advertising Media Investment Company Limited (the "WHA Joint Venture"). This cleaning and maintenance subsidy arrangement was made in 2001 as part of the pre-listing reorganization exercise and is based on a certain percentage of the cleaning and maintenance cost. The ratio is negotiated on a yearly basis, with an aim to match the subsidy payable by Hainan White Horse to the cleaning and maintenance entity against the dividend attributable to this non-controlling shareholder.

Total selling, general and administrative expenses, excluding depreciation and amortization, increased by 6.1% to HK$186.7 million for the six months ended 30 June 2016 (1H2015: HK$175.9 million) mainly due to salary increase, equity-settled share option expenses, office rental expenses and higher provision of bad debt but offset by lower provision for cash settled share-based payments as the scheme has expired in 2015.

FINANCIAL REVIEW (continued)

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 3.9% to HK$356.7 million (1H2015: HK$343.4 million) mainly due to higher turnover of the core bus shelter advertising business in the current period. EBITDA margin remained at 40.1%. The depreciation of the RMB reduced EBITDA growth by approximately 5.2%.

A reconciliation of the Group's profit before tax to EBITDA is as follows:

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Profit before tax	**171,771**	172,220
Add:		
— Finance costs	**–**	801
— Depreciation of property, plant and equipment	**8,442**	5,179
— Amortization of concession rights	**179,133**	172,312
Subtotal	**187,575**	178,292
Less:		
— Interest income	**(2,638)**	(7,156)
EBITDA	**356,708**	343,356

EBIT

The Group's earnings before interest and tax ("EBIT") increased by 2.0% to HK$169.1 million for the current six-month period from HK$165.9 million in the same period last year. The depreciation of the RMB reduced EBIT growth by approximately 5.3%.

FINANCIAL REVIEW (continued)

Finance Costs

During the period under review, the Group carried no debt, hence the finance costs incurred were minimal (1H2015: HK$0.8 million).

Taxation

According to the 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 of 25% (2015: 25%) on its assessable profits arising in the PRC for the year 2016.

Further, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable to withholding taxes on dividends distributed by the WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC.

During the period, taxes provided for by the Group slightly decreased to HK$48.0 million for the six months ended 30 June 2016 from HK$48.6 million for the same period last year mainly due to the slight decrease in assessable profits of the core bus shelter advertising business during the period.

As at 30 June 2016, the Group recognized a deferred tax liability of HK$6.0 million (31 December 2015: HK$20.7 million) in respect of the withholding tax on future dividend distribution by WHA Joint Venture. The decrease in the balance is due to declaration of dividend from WHA Joint Venture to the Company during the period.

FINANCIAL REVIEW (continued)

Net Profit

Net profit attributable to owners of the parent increased by 7.0% to HK$108.0 million (1H2015: HK$100.9 million) for the six months ended 30 June 2016, while the net profit margin increased to 12.1% (1H2015: 11.8%). The depreciation of the RMB reduce net profit growth by approximately 5.6%.

Net profit attributable to non-controlling interests decreased by 30.7% to HK$15.7 million (1H 2015: HK$22.7 million). In 1H 2015, certain realised exchange gains were recognized by our China subsidiary, WHA Joint Venture and this has resulted in higher net profit attributable to the non-controlling interest. There were no such exchange gain recognized in 1H 2016.

Cashflow

Net cash flows from operating activities for the current period increased to HK$144.0 million (1H2015: HK$140.4 million). The increase was mainly due to a lower level of increase in both trade receivable balances and amounts due from related parties as compared with prior period and the effect of working capital changes, partially offset by the higher income taxes paid during the period.

Net cash flows used in investing activities during the six months ended 30 June 2016 decreased to HK$198.9 million (1H2015: HK$295.3 million) mainly due to lower payments for prior year capital expenditure projects and lower level of capital expenditure in the first half of the year.

As there were no external financing needs, there was no cash flow from financing activities.

FINANCIAL REVIEW (continued)

Cashflow (continued)

Free cash flow, defined as EBITDA (before losses on disposal and write off of concession rights and other assets and equity-settled share option expenses) less cash outflow on capital expenditure, less income tax and net interest expense, increased to HK$111.7 million for the current six-month period, compared to HK$7.2 million in the same period last year. The increase was mainly due to higher EBITDA generated in the current period, and lower level of capital expenditure than the prior period.

Trade Receivables

The Group's accounts receivable balance due from third parties increased by 6.8% to HK$733.9 million as at 30 June 2016 from HK$687.2 million as at 31 December 2015. The increase was mainly from the outstanding balances in the current to 90 days category which increased by HK$51.2 million following the higher sales during the current period. The outstanding balances in the 181 days to 360 days category and the over 360 days category increased by HK$10.8 million and HK$5.5 million, respectively due to slower payments from certain major 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 GWH, WHM and WSI 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 maintains control over its outstanding receivables. Overdue balances are reviewed regularly and processes are in place to ensure balances are collected. Accounts receivable relate to a large number of different customers.

FINANCIAL REVIEW (continued)

Trade Receivables (continued)

The average accounts receivable outstanding days, on a time-weighted basis, improved to 120 days for the current six-month period from 128 days for the same period last year. As at 30 June 2016, the provision for impairment of accounts receivables increased to HK$35.5 million from HK$31.4 million as at 31 December 2015 due to slower collection from customers with balances in the over 360 days category during the period. Based on the customers' past payment history and settlement subsequent to the period end, the Company's management is of the view that the provision level is adequate as of 30 June 2016. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is appropriate and prudent.

Due from Related Parties

As at 30 June 2016, the amount due from GWH, WHM and WSI increased to HK$132.8 million from HK$106.8 million as at 31 December 2015 mainly due to slower payment from customers represented by WHM and WSI during the current period. The main bulk of the increase was in the 90 to 180 days category. The average balance due from related parties outstanding days, on a time-weighted basis, improved to 98 days for the current six-month period from 106 days for the same period last year. We will continue to work closely with GWH, WHM and WSI to expedite collection in the second half of the year.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2016 increased to HK$173.3 million from HK$143.0 million as at 31 December 2015.

The balance as at 30 June 2016 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to HK$116.3 million (31 December 2015: HK$95.4 million), which are unsecured, interest-free and have no fixed terms of repayment.

FINANCIAL REVIEW (continued)

Prepayments, Deposits and Other Receivables (continued)

The increase in prepayments, deposits and other receivables was mainly due to the increase of the receivable from Hainan White Horse during the period for the cleaning and maintenance expenses subsidized as disclosed in the "Expenses" section and the increase of bus shelter rental prepayments, partially offset by the impact of the depreciation of the RMB against the HK Dollar during the period.

Long-term Prepayments, Deposits and Other Receivables

The Group's total long-term prepayments, deposits and other receivables as at 30 June 2016 increased to HK$93.5 million from HK$88.8 million as at 31 December 2015.

The increase in long-term prepayments, deposits and other receivables was mainly due to a deposit amounting to HK$3.7 million made to an independent third party for the acquisition of bus shelters during the period, and a long-term deposit amounting to HK$3.7 million placed with an independent third party in connection with the extension of certain of the Group's bus shelter concession rights in the PRC, partially offset by impact of the depreciation of the RMB against the HK Dollar during the period.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2016 were HK$664.5 million, compared to HK$645.7 million as at 31 December 2015. The increase was mainly due to the increase in dividend payable to a non-controlling shareholder, the increase in capital expenditure payables, bus shelter rental payables, partially offset by lower wages and salaries payables and the depreciation of the RMB against the HK Dollar during the period. 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.

FINANCIAL REVIEW (continued)

Assets and Liabilities

As at 30 June 2016, the Group's total assets amounted to HK$3,652.6 million, slightly increased by 0.5% from HK$3,634.8 million, as at 31 December 2015. The Group's total liabilities increased to HK$906.9 million as at 30 June 2016 from HK$832.3 million as at 31 December 2015. Net assets as at 30 June 2016 decreased by 2.0% to HK$2,745.7 million from HK$2,802.4 million as at 31 December 2015. This was mainly due to the 2015 final dividends payable to the shareholders of the Group and the foreign exchange losses from translation of the Group's RMB operation in Mainland China, partially offset by the retention of the net profit earned in the six months ended 30 June 2016. Net current assets decreased from HK$900.4 million as at 31 December 2015, to HK$837.4 million as at 30 June 2016.

As at 30 June 2016, the Group's total cash and cash equivalents amounted to HK$622.1 million (31 December 2015: HK$689.3 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at HK$54.2 million as at 30 June 2016. Total shareholders' equity for the Group as at 30 June 2016 decrease by 2.0%, to HK$2,745.7 million, from HK$2,802.4 million as at 31 December 2015. The Group's reserves as at 30 June 2016 amounted to HK$2,595.2 million, a 1.5% decrease over the corresponding balance of HK$2,633.5 million as at 31 December 2015. This was mainly due to the 2015 final dividends payable to the shareholders of the Group and the foreign exchange losses from translation of the Group's RMB operation in Mainland China, partially offset by the retention of the net profit earned in the six months ended 30 June 2016. The Group undertook no share repurchases during the period.

FINANCIAL REVIEW (continued)

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. WHA Joint Venture's operations, the bulk of its turnover, capital investment and expenses is denominated in RMB. As at the date of this report, 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 average exchange rate of the RMB has depreciated by 4.96% against the Hong Kong Dollar during the six months ended 30 June 2016 as compared with the same period last year. The Group's turnover and costs are largely denominated in RMB, which will largely offset each other. However, as the Group's net profit is reported in Hong Kong Dollar, the depreciation of the RMB will have a negative impact on the Group's net profit.

The majority of our operating assets are located in the PRC and is denominated in RMB. The operating assets are translated to Hong Kong Dollar at the 30 June 2016 spot rate. The spot rate of RMB as of 30 June 2016 has depreciated against the Hong Kong Dollar by 2.27% as compared with the spot rate as at 31 December 2015. This has resulted in a decrease in the exchange fluctuation reserve of approximately HK$61.7 million during the period.

FINANCIAL REVIEW (continued)

Liquidity, Financial Resources, Borrowing and Gearing

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

As at 30 June 2016, the Group's total cash and cash equivalents amounted to HK$622.1 million (HK$689.3 million as at 31 December 2015). The Group had no short-term or long-term debt outstanding as at 30 June 2016 (31 December 2015: Nil).

The Group's current policy is to maintain a low level of gearing. This policy will be reviewed on an annual basis. We plan to invest in and expand our bus shelter network, and explore investment opportunities with the aim to increase return to shareholders.

Capital Expenditure

For the six months ended 30 June 2016, the Group invested HK$203.5 million in the construction of bus shelters and acquisition of concession rights, and HK$5.1 million on fixed assets, compared to HK$245.4 million and HK$24.5 million, respectively, for the same period last year.

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 2016.

FINANCIAL REVIEW (continued)

Employment, Training and Development

As at 30 June 2016, the Group had a total of 558 employees, a decrease of 4.1% over the same period in 2015. Total wages and salaries increased by 2.8% mainly due to salary increments.

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 their individual interests with the Group's interests. Training courses and conferences aimed at improving team members' knowledge and skills were organized throughout the period.

Charges on Group Assets

As at 30 June 2016, a bank balance of RMB1.3 million (equivalent to approximately HK$1.5 million) (31 December 2015: RMB1.3 million (equivalent to approximately HK$1.5 million) was frozen by one of the financial institutions which has commend legal proceedings against the Company's subsidiary. The directors of the Company are of the view that the dispute will not have any material impact on the condensed consolidated financial statements of the Group.

Capital Commitments

As at 30 June 2016, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to HK$80.3 million (31 December 2015: HK$1.5 million).

FINANCIAL REVIEW (continued)

Contingent Liabilities

During 2014, a supplier of the Group in China (the "Supplier") factored its accounts receivable allegedly due from the Group (the "Accounts Receivable") under certain supply contracts (the "Purported Supply Contracts") to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As of the date of this report, the trial dates for these legal proceedings had yet to be fixed. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as being contractual fraud and reported the cases to the competent police authority. The directors, taking into account the advices from the Group's legal counsel, believe that the Group has a valid defence in law to the allegations against it and, accordingly, have not provided for any potential claim arising from the litigation, other than the related legal and other costs.

FINANCIAL REVIEW (continued)

Contingent Liabilities (continued)

On 8 January 2016, the Group received a notice from a certain District Court in the PRC (the "Court") stating that a plaintiff has initiated legal action against the Supplier and that the Court has ruled in such plaintiff's favour and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million owing by the Group to the Supplier into the bank account of the Court. The directors, taking into consideration the advice of the Group's legal counsel, believe that this development will not result in the Group being liable to additional liability exceeding the outstanding liability already taken up in the accounts under other payables and accruals, between the Supplier and the Group.

FINANCIAL KEY PERFORMANCE INDICATOR

EBITDA as the financial key performance indicator

EBITDA is the Group's earnings before interest, tax, depreciation and amortization. The Company uses the Group's EBITDA as the financial key performance indicator. The Company's aim is to increase the Group's EBITDA. We monitor the Group's EBITDA for the current period and make comparison with that in the same period of the previous year as a measure of the performance. Details of the Group's EBITDA are set out in the "EBITDA" section.

Environmental Policies and Compliance

We are committed to minimizing the impact of our activities on the environment. To this end, various impact assessments have been undertaken and policies created which are in line with international best practices and long term sustainability.

FINANCIAL KEY PERFORMANCE INDICATOR (continued)

Environmental Policies and Compliance (continued)

The core values of our environmental policy are to meet all the environmental legislations that relates to our operations.

In addition to full compliance with all laws relevant to sustaining and improving the environment, we are committed to deploying ecologically friendly construction techniques, materials and operational procedures.

The energy consumed by bus shelter panel accounts for almost 95% of the Group's energy consumption. In order to reduce electrical consumption for bus shelter panel while preserving illumination for public safety, we have gradually reduced the number of fluorescent tubes usage and increased the use of LED lighting structures. The LED lighting structures offer energy savings of more than 50% compared to the use of fluorescent tube. In addition to using LED lighting structures on all new shelters built in the first half of 2016, we have also converted about 20% of our existing bus shelter panels to LED lighting structures during the period. As of 30 June 2016, about 62% of our total bus shelter panels are with LED lighting structures and we plan to gradually increase the ratio in the next few years.

In addition, we have installed light controllers and auto timers into many of the lightbox structures which help to reduce electrical consumption.

KEY RELATIONSHIPS

Relationships with Vendors

We have established relationships with over 12 major suppliers for the construction and supply of bus shelters and other outdoor media. Except for one vendor who has allegedly engaged in certain fraudulent activities as set out in the "Contingent Liabilities" section and was replaced with other third party suppliers, we have no major events effecting our relationships with our suppliers. An annual internal evaluation, led by our Engineering Department, is performed to measure the financial, technical, quality and logistics performance of these suppliers.

Relationships with Employees

During the year, we are not aware of any major event affecting our relationships with our employees.

Relationships with Customers

Our sales team interact closely with advertising clients' marketing personnel and their advertising agents. In addition, our sales team identify new advertising clients every year. During the period, the total number of advertising clients slightly decreased to 519 for the six months ended 30 June 2016 from 534 in the same period last year.

OUTLOOK

The operating environment is expected to remain challenging for the second half of 2016. Management expects the revenue performance from customers in different industries to be mixed.

We expect to maintain our capital expenditure budget for the full year of 2016 at a similar scale to 2015 as we continue to identify acquisition opportunities in major cities and new cities to extend the breadth and depth of the reach of our networks, capitalizing on the favorable asset price levels. Such capital expenditure is expected to be funded from the cash on the balance sheet and the Company's future operating cash flows.

In the long run, Clear Media maintains its optimistic stance towards prospects of the out-of-home advertising sector in China on the back of the country's persisting growth in consumer spending and continuing urbanization.

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors
Clear Media Limited
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Clear Media Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 24 to 52, which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2016 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim Financial Reporting ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on those interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
22nd floor
CITIC Tower
1 Tim Mei Avenue, Central

Hong Kong
9 August 2016

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2016

	Notes	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
		For the six months ended 30 June	
Revenue	4	**889,568**	855,794
Cost of sales	6	**(524,915)**	(507,353)
Gross profit		**364,653**	348,441
Other income	4	**2,638**	7,156
Selling and distribution expenses		**(97,610)**	(90,148)
Administrative expenses		**(97,493)**	(90,908)
Other expenses		**(417)**	(1,520)
Finance costs	5	**–**	(801)
PROFIT BEFORE TAX	6	**171,771**	172,220
Income tax expense	7	**(48,020)**	(48,617)
PROFIT FOR THE PERIOD		**123,751**	123,603
ATTRIBUTABLE TO:			
Owners of the parent		**108,044**	100,929
Non-controlling interests		**15,707**	22,674
		123,751	123,603
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	**HK 19.95 cents**	HK 18.73 cents
Diluted	8	**HK 19.95 cents**	HK 18.66 cents

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**123,751**	123,603
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(60,595)**	(16,806)
Other comprehensive loss for the period, net of tax	**(60,595)**	(16,806)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**63,156**	106,797
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**46,357**	84,136
Non-controlling interests	**16,799**	22,661
	63,156	106,797

Condensed Consolidated Statement of Financial Position

As at 30 June 2016

	Notes	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**59,670**	60,767
Concession rights	11	**1,835,793**	1,857,462
Long-term prepayments, deposits and other receivables	12	**93,541**	88,760
Total non-current assets		**1,989,004**	2,006,989
CURRENT ASSETS			
Trade receivables	13	**733,861**	687,157
Prepayments, deposits and other receivables	14	**173,340**	143,029
Due from related parties	15	**132,809**	106,754
Pledged deposits and restricted cash	16	**1,499**	1,530
Cash and cash equivalents	16	**622,088**	689,322
Total current assets		**1,663,597**	1,627,792
CURRENT LIABILITIES			
Other payables and accruals		**664,493**	645,741
Deferred income		**3,252**	3,581
Tax payable		**71,739**	78,108
Dividend payable		**86,672**	–
Total current liabilities		**826,156**	727,430
NET CURRENT ASSETS		**837,441**	900,362
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,826,445**	2,907,351

	Notes	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**80,757**	104,909
Total non-current liabilities		**80,757**	104,909
Net assets		**2,745,688**	2,802,442
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**54,170**	54,170
Other reserves	18	**2,595,178**	2,633,493
		2,649,348	2,687,663
Non-controlling interests		**96,340**	114,779
Total equity		**2,745,688**	2,802,442

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Attributable to owners of the parent								
	Share capital HK$'000	Share premium account HK$'000	Share option reserve HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
As at 1 January 2015	53,740	829,617	7,685	191,159	660,504	1,173,532	2,916,237	81,391	2,997,628
Profit for the period	–	–	–	–	–	100,929	100,929	22,674	123,603
Other comprehensive loss	–	–	–	–	(16,793)	–	(16,793)	(13)	(16,806)
Total comprehensive income/ (loss) for the period	–	–	–	–	(16,793)	100,929	84,136	22,661	106,797
Share options exercised	430	17,689	(6,375)	–	–	–	11,744	–	11,744
Equity-settled share option arrangements	–	–	219	–	–	–	219	–	219
Dividends payable to a non-controlling shareholder	–	–	–	–	–	–	–	(5,682)	(5,682)
Final 2014 dividend paid	–	–	–	–	–	(81,255)	(81,255)	–	(81,255)
Special dividend paid	–	–	–	(258,312)	–	(45,040)	(303,352)	–	(303,352)
At 30 June 2015 (unaudited)	54,170	847,306	1,529	(67,153)	643,711	1,148,166	2,627,729	98,370	2,726,099
As at 1 January 2016	**54,170**	**847,306**	**3,529**	**(67,153)**	**522,052**	**1,327,759**	**2,687,663**	**114,779**	**2,802,442**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**108,044**	**108,044**	**15,707**	**123,751**
Other comprehensive income/ (loss)	**–**	**–**	**–**	**–**	**(61,687)**	**–**	**(61,687)**	**1,092**	**(60,595)**
Total comprehensive income/ (loss) for the period	**–**	**–**	**–**	**–**	**(61,687)**	**108,044**	**46,357**	**16,799**	**63,156**
Equity-settled share option arrangements	**–**	**–**	**2,000**	**–**	**–**	**–**	**2,000**	**–**	**2,000**
Dividends payable to a non-controlling shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(35,238)**	**(35,238)**
Final 2015 dividend payable	**–**	**–**	**–**	**(31,613)**	**–**	**(55,059)**	**(86,672)**	**–**	**(86,672)**
At 30 June 2016 (unaudited)	**54,170**	**847,306**	**5,529**	**(98,766)**	**460,365**	**1,380,744**	**2,649,348**	**96,340**	**2,745,688**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Notes	For the six months ended 30 June 2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**171,771**	172,220
Adjustments for:			
Write-down of concession rights	6	**–**	1,088
Loss on disposal of concession rights	6	**440**	417
Impairment losses of trade receivables recognised	6	**10,779**	7,496
(Gain)/loss on disposal of items of property, plant and equipment	6	**(23)**	15
Depreciation of items of property, plant and equipment	6	**8,442**	5,179
Recognition of prepaid lease payments		**1,178**	1,398
Amortisation of concession rights	6	**179,133**	172,311
Foreign exchange losses, net	6	**–**	553
Other finance costs		**–**	248
Cash-settled share-based payments	6	**–**	6,278
Equity-settled share option expense	6	**2,000**	219
Interest income	4	**(2,638)**	(7,156)
		371,082	360,266

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Increase in long-term prepayments, deposits and other receivables	**(7,927)**	(3,938)
Increase in trade receivables	**(72,721)**	(81,579)
Increase in prepayments, deposits and other receivables	**(32,329)**	(40,351)
Increase in amounts due from related parties	**(28,422)**	(78,364)
(Decrease)/increase in other payables and accruals	**(10,117)**	3,025
Decrease in deferred income	**(250)**	(2,028)
Cash generated from operations	**219,316**	157,031
Income taxes paid	**(75,318)**	(16,644)
Net cash flows from operating activities	**143,998**	140,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment, excluding construction in progress	**(6,414)**	(24,489)
Proceeds from disposal of items of property, plant and equipment	**23**	4
Proceeds from disposal of concession rights	**174**	68
Purchase of concession rights	**(195,582)**	(271,133)
Interest received	**2,897**	294
Net cash flows used in investing activities	**(198,902)**	(295,256)

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	HK$'000
Net cash flows used in investing activities	**(198,902)**	(295,256)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**–**	11,744
Dividends paid to shareholders	**–**	(384,607)
Net cash flows used in financing activities	**–**	(372,863)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(54,904)**	(527,732)
Cash and cash equivalents at beginning of period	**689,322**	1,049,604
Effect of foreign exchange rate changes, net	**(12,330)**	(1,332)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**622,088**	520,540
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**622,088**	520,540

1. CORPORATE INFORMATION

Clear Media Limited is an exempted company incorporated in Bermuda on 30 March 2001 under the Companies Act 1981 of Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Group is engaged in the operation of outdoor advertising business. There were no significant changes in the nature of the Group's principal activities during the period.

In the opinion of the directors, the parent and the ultimate holding company of the Company is iHeartMedia, Inc. which is incorporated in the United States of America.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2016 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 ("HKICPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

The interim condensed consolidated financial statements for the six months ended 30 June 2016 are unaudited, but have been reviewed by Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Ernst & Young's unmodified review report is included in the interim report to be sent to shareholders. The interim results have also been reviewed by the Group's Audit Committee.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of the new or revised standards, interpretation and amendments as of 1 January 2016, noted below:

Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

The adoption of the above new or revised standards, interpretation and amendments has had no material financial effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEGMENT INFORMATION

The outdoor advertising business is the only major reportable operating segment of the Group which comprises the display of advertisements on street furniture. Accordingly, no further business segment information is provided.

In determining the Group's geographical segments, 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 all located in the PRC, no further geographical segment information is provided.

4. REVENUE AND OTHER INCOME

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Revenue		
Rental from outdoor advertising spaces	**889,568**	855,794
Other income		
Interest income	**2,638**	7,156

5. FINANCE COSTS

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Other finance costs	**–**	801

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Cost of services provided	**133,091**	143,814
Operating lease rentals on bus shelters	**210,184**	188,768
Cost of services in a bus shelter joint-operation arrangement*	**2,507**	2,460
Amortisation of concession rights	**179,133**	172,311
Cost of sales	**524,915**	507,353
Impairment losses of trade receivables recognised	**10,779**	7,496
Auditors' remuneration	**1,482**	1,507
Depreciation of items of property, plant and equipment	**8,442**	5,179
Write-down of concession rights	**–**	1,088
Loss on disposal of concession rights	**440**	417
(Gain)/loss on disposal of items of property, plant and equipment	**(23)**	15
Operating lease rentals on buildings	**23,270**	13,804

6. PROFIT BEFORE TAX (continued)

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	**91,629**	89,104
Cash-settled share-based payments	**–**	6,278
Equity-settled share option expenses	**2,000**	219
Pension scheme contributions	**10,130**	9,833
	103,759	105,434
Foreign exchange losses, net	**–**	553
Interest income	**(2,638)**	(7,156)

* The Group operated certain bus shelters jointly with an independent third party under a profit sharing arrangement. The Group has the primary responsibility for providing services to the customers and acts as a principal in the arrangement. The Group recognised revenue on a gross basis. The cost of services represented the costs paid by the Group under this arrangement.

7. INCOME TAX

	For the six months ended 30 June	
	2016 **(Unaudited)** **HK$'000**	2015 (Unaudited) HK$'000
Current — Hong Kong profits tax	**–**	–
Current — PRC corporate income tax	**56,314**	54,659
Deferred tax	**(8,294)**	(6,042)
Total tax charge for the period	**48,020**	48,617

Hong Kong profits tax has not been provided as the Group has no assessable profits arising in Hong Kong during the period (six months ended 30 June 2015: Nil). 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 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 of 25% (2015: 25%) for the head office and its branches on its assessable profits arising in the PRC for the year 2016.

7. INCOME TAX (continued)

In accordance with the Enterprise Income Tax Law of the PRC effective on 1 January 2008, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable to withholding taxes on dividends distributed by WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, in respect of earnings generated from 1 January 2008. As at 30 June 2016, the Group recognized a deferred tax liability of HK$5,965,000 (31 December 2015: HK$20,703,000) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit attributable to ordinary equity holders of the parent of HK$108,044,000 (six months ended 30 June 2015: HK$100,929,000) and the weighted average number of 541,700,500 (six months ended 30 June 2015: 538,928,080) ordinary shares in issue during the period.

The calculation of the diluted earnings per share for the period is based on the profit attributable to ordinary equity holders of the parent of HK$108,044,000 (six months ended 30 June 2015: HK$100,929,000). The weighted average number of ordinary shares used in the calculation is the 541,700,500 (six months ended 30 June 2015: 538,928,080) ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of nil (six months ended 30 June 2015: 1,900,301) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

9. DIVIDEND

The Board of Directors has recommended to pay a special dividend of HK37 cents per share which is equivalent to HK$200,429,000 based on 541,700,500 outstanding shares as of the date of this report. Subject to the approval by the shareholders at the special general meeting on 7 September 2016, the special dividend will be payable on or around 29 September 2016 (at the earliest) to the shareholders registered on the Register of Members on 15 September 2016.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment at a cost of HK$5,103,000 (six months ended 30 June 2015: HK$2,738,000), and incurred construction in progress at a cost of HK$14,152,000 (six months ended 30 June 2015: HK$25,239,000).

Property, plant and equipment with a net book value of nil were disposed of by the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: HK$19,000), resulting in a net gain on disposal of HK$23,000 (six months ended 30 June 2015: loss on disposal of HK$15,000).

11. CONCESSION RIGHTS

During the six months ended 30 June 2016, the Group had an addition of concession rights at a cost of HK$199,876,000 (six months ended 30 June 2015: HK$242,908,000), including concession rights transferred from construction in progress of HK$10,576,000 (six months ended 30 June 2015: HK$987,000).

Concession rights with a net book value of HK$614,000 were disposed of/written down by the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: HK$1,573,000), resulting in a net loss on disposal of HK$440,000 (six months ended 30 June 2015: HK$1,505,000).

12. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments amounting to RMB49,452,000 (equivalent to HK$57,716,000) (31 December 2015: RMB45,809,000 (equivalent to HK$54,678,000)) have been placed with certain independent third parties in connection with the extension and renewal of certain of the Group's bus shelter concession rights in the PRC.

Long-term prepayment as at 30 June 2016 also included a deposit amounting to RMB6,300,000 (equivalent to HK$7,353,000) (31 December 2015: RMB3,150,000 (equivalent to HK$3,760,000)) made to an independent third party for the purchase of bus shelters.

The balance as at 30 June 2016 also included a non-current portion of a prepaid bus shelter lease payment amounting to HK$6,473,000 (31 December 2015: HK$7,824,000) and a long-term rental deposit of HK$21,999,000 (31 December 2015: HK$22,498,000).

13. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where advanced payments are normally required. The credit period is generally 90 days extending up to 180 days for major customers. Overdue balances are reviewed regularly by senior management. The Group's trade receivables relate to a diverse number of customers and are non-interest-bearing.

13. TRADE RECEIVABLES (continued)

An aging analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date, is as follows:

	Group	
	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Current to 90 days	**396,672**	345,473
91 days to 180 days	**220,920**	237,718
181 days to 360 days	**123,457**	112,647
Over 360 days	**28,279**	22,737
	769,328	718,575
Less: Provision for impairment of trade receivables	**(35,467)**	(31,418)
Total trade receivables, net	**733,861**	687,157

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

	For the six months ended 30 June	
	2016 (Unaudited) HK$'000	2015 (Unaudited) HK$'000
At 1 January	**31,418**	21,218
Impairment losses provided	**10,779**	7,496
Amount written off as uncollectible	**(6,730)**	(1,717)
At 30 June	**35,467**	26,997

13. TRADE RECEIVABLES (continued)

The above provision for impairment of trade receivables is a provision to cover balances for which the Group may not be able to recover full amounts from the customers. The Group does not hold any collateral or other credit enhancements over these balances.

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

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Neither past due nor impaired	**617,592**	583,191
Less than 3 months past due	**79,596**	83,892
Over 3 months past due	**36,673**	20,074
	733,861	687,157

Receivables that were neither past due nor impaired relate to a diverse number of 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.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2016 included a receivable from Hainan White Horse Advertising Co., Ltd. ("Hainan White Horse"), the non-controlling shareholder of WHA Joint Venture, amounting to HK$116,325,000 (31 December 2015: HK$95,414,000), which is unsecured, interest-free and has no fixed terms of repayment.

15. DUE FROM RELATED PARTIES

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Guangdong White Horse Advertising Company Limited ("GWH")	–	2,064
Hainan White Horse Media Advertising Company Limited ("WHM")	**118,890**	104,690
White Horse (Shanghai) Investment Company Limited ("WSI")	**13,919**	–
	132,809	106,754

The balances with the related parties are unsecured, interest-free and repayable on demand.

15. DUE FROM RELATED PARTIES (continued)

An ageing analysis of the amounts due from GWH, WHM and WSI as at the end of the reporting period, based on the revenue recognition date, is as follows:

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Current to 90 days	**79,340**	83,642
91 days to 180 days	**53,085**	21,511
181 days to 360 days	**384**	1,601
Over 360 days	**–**	–
	132,809	106,754

16. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

As at 30 June 2016, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("RMB") and in Hong Kong dollars ("HK$") amounted to HK$430,842,000 (31 December 2015: HK$484,163,000) and HK$192,745,000 (31 December 2015: HK$206,689,000), respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

All of the Group's bank balances and pledged deposits are placed with registered banking institutions in the PRC and Hong Kong. The Group's policy is to spread bank balance (including pledged deposits) among various creditworthy banks with no recent history of default. As at 30 June 2016, the Group maintained less than 20% of the Group's total bank balances in any one bank.

16. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH (continued)

As at 30 June 2016, a bank balance of RMB1,284,000 (equivalent to approximately HK$1,499,000) (31 December 2015: RMB1,282,000 (equivalent to approximately HK$1,530,000)) was frozen by one of the financial institutions which has commenced legal proceedings against the Company's subsidiary as disclosed in the "Contingent Liabilities" section of the interim report. The directors of the Company are of the view that the dispute will not have any material impact on the condensed consolidated financial statements of the Group.

17. SHARE CAPITAL

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Shares		
Issued and fully paid:		
541,700,500 ordinary shares of HK$0.10 each (31 December 2015: 541,700,500)	**54,170**	54,170

18. RESERVES

The amount of the Group's reserves and the movements therein for the current period and prior period are presented in the condensed consolidated statement of changes in equity on page 28 of the report.

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these condensed consolidated 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.

	Notes	**For the six months ended 30 June 2016 (Unaudited) HK$'000**	2015 (Unaudited) HK$'000
Agency commission paid to GWH, WHM and WSI	(i)	**9,551**	9,703
Sales to GWH, WHM and WSI	(ii)	**130,173**	158,177
Bus shelter maintenance and display fees	(iii)	**19,643**	21,122
Creative services fees payable to GWH	(iv)	**1,682**	1,768

Notes:

(i) The agency commission paid to GWH, WHM and WSI 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 22 December 2015, WHA Joint Venture entered into a three-year framework agreement with GWH, WHM and WSI for the years 2016, 2017 and 2018 on substantially the same terms as the framework agreements previously entered into between WHA Joint Venture and GWH.

19. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Notes: (continued)

(i) (continued)

The approved annual caps for the gross value of sales from GWH for the financial years ending on 31 December 2016, 2017 and 2018 were HK$414,000,000, HK$424,500,000 and HK$435,000,000, respectively. The approved annual caps for the advertising commission payable to GWH for each of these financial years shall not exceed HK$33,000,000, HK$34,000,000 and HK$35,000,000, respectively.

GWH is a related party of the Company because Mr. Han Zi Dian is the brother of Mr. Han Zi Jing, an executive director of the Company, and 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.

WHM and WSI are affiliated companies of GWH and also related parties of the Company because Mr. Han Zi Dian is the brother of Mr. Han Zi Jing, an executive director of the Company, and Mr. Han Zi Dian is able to exercise influence over the management and day-to-day operations of WHM and WSI.

(ii) The sales to GWH, WHM and WSI were made according to published prices and conditions similar to those offered to other major customers and advertising agencies of the Group.

19. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Notes: (continued)

(iii) On 28 January 2014, WHA Joint Venture entered into a Framework Maintenance Services Agreement with White Horse Holding in place of the maintenance services arrangements between WHA Joint Venture and White Horse Holding. The Framework Maintenance Services Agreement was entered into for a fixed term and will expire on 31 December 2016.

White Horse Holding is a related party of the Company because Mr. Han Zi Dian became interested in more than 50% of the voting power of White Horse Holding following a capital injection into White Horse Holding in November 2009. Mr. Han Zi Dian was a non-executive director of the Company from April 2001 to November 2012 and is the brother of Mr. Han Zi Jing, an executive director of the Company.

Under the Framework Maintenance Services Agreement, WHA Joint Venture would pay a maintenance fee consisting of a predetermined cost element and an incentive payment to White Horse Holding for the services provided by its branches. The same basis for calculating payment of the maintenance fee is applicable to all service providers of the Group including third party service providers.

Under the Framework Maintenance Services Agreement, the maintenance fees payable by WHA Joint Venture to White Horse Holding for the financial year ending 31 December 2014, 2015 and 2016 shall not exceed HK$55,000,000, HK$60,000,000 and HK$65,000,000, respectively. Maintenance fees shall be settled by WHA Joint Venture on a monthly basis before the tenth day of every month.

(iv) On 28 January 2014 WHA Joint Venture entered into a creative services agreement with GWH effective from 1 January 2014 to 31 December 2016, whereby GWH agreed to provide creative design services for poster, sales and marketing materials and company profiles to the Group. In the opinion of the directors, these transactions were entered into on terms similar to those available from independent third parties.

19. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with a related party

The Group had outstanding receivables from GWH, WHM and WSI of nil (31 December 2015: HK$2,064,000), HK$118,890,000 (31 December 2015: HK$104,690,000), and HK$13,919,000 (31 December 2015: Nil), respectively, as at the end of the reporting period. The balance are unsecured, interest-free and have no fixed terms of repayment.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short-term employee benefits	**8,669**	10,851
Performance-related bonuses	**–**	–
Equity-settled share option expenses	**920**	101
Cash-settled share-based payments	**–**	6,278
Pension scheme contributions	**77**	79
Total compensation paid to key management personnel	**9,666**	17,309

20. COMMITMENTS

(a) Capital commitments

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Contracted, but not provided for:		
Construction of shelters for which concession rights are held	**80,329**	1,545

(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 10 years, and those for concession rights are negotiated for terms ranging from 5 to 15 years.

At 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Within one year	**412,323**	433,885
In the second to fifth year, inclusive	**1,291,884**	1,311,053
After five years	**1,010,538**	1,134,280
	2,714,745	2,879,218

21. CONTINGENT LIABILITIES

During 2014, a supplier of the Group in China (the "Supplier") has factored its accounts receivable allegedly due from the Group (the "Accounts Receivable") under certain supply contracts (the "Purported Supply Contracts") to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As of the date of this report, the trial dates for these legal proceedings had yet to be fixed. As the Group confirmed that it had not entered into any of the Purported Supply Contracts, the Group treated the Purported Supply Contracts as being contractual fraud and reported the cases to the competent police authority. The directors, taking into account the advice from the Group's legal counsel, believe that the Group has a valid defence in law to the allegations against it and, accordingly, have not provided for any potential claim arising from the litigations, other than the related legal and other costs.

21. CONTINGENT LIABILITIES (continued)

On 8 January 2016, the Group received a notice from a District Court in the PRC (the "Court") stating that a plaintiff has initiated legal action against the Supplier and that the Court has ruled in such plaintiff's favour and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. The Court has issued a compulsory order requiring the Group to remit an outstanding sum of about RMB17.6 million owing by the Group to the Supplier into the bank account of the Court. The directors, taking into consideration the advice of the Group's legal counsel, believe that this development will not result in the Group being liable to additional liability exceeding the outstanding liability already taken up in the account under other payables and accruals, between the Supplier and the Group.

22. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 9 August 2016.

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

As at 30 June 2016, 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 2016:

	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 (Note)	Total	% of the Company's issued share capital
Peter Cosgrove	-	-	-	250,000	250,000	0.05%
Han Zi Jing	-	-	6,600,000	-	6,600,000	1.22%

Notes: The 250,000 shares are held by Media General Superannuation Fund of which Mr. Cosgrove is the sole beneficiary.

The 6,600,000 shares are held by Outdoor Media China, Inc. ("OMC"), a company incorporated in Western Samoa of Offshore Chambers. As at 30 June 2016, Mr. Han Zi Jing held approximately 94.5% 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 94.5%.

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

A. Long Positions in Ordinary Shares of the Company as at 30 June 2016: (continued)

The interests of the directors in the share options of the Company are separately disclosed on pages 57 to 62.

B. Long Positions in the Shares of Clear Channel Outdoor Holdings, Inc. as at 30 June 2016: (Note 1)

	Number of shares held, capacity and nature of interest					
Name of director	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	% of issued share capital
William Eccleshare	98,577	–	–	–	98,577	0.22%
Cormac O'Shea	51,433	–	–	–	51,433	0.11%

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

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

C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2016:

Name of director	Date of grant	Number of outstanding options as at 30 June 2016	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
William Eccleshare	10/09/2009	28,062	10/09/2010–10/09/2019	US$1.95
	10/09/2009	56,830	10/09/2011–10/09/2019	US$1.95
	10/09/2009	40,006	10/09/2012–10/09/2019	US$1.95
	10/09/2009	40,009	10/09/2013–10/09/2019	US$1.95
	24/02/2010	6,976	24/02/2013–24/02/2020	US$1.38
	24/02/2010	15,524	24/02/2014–24/02/2020	US$1.38
	10/09/2010	15,895	10/09/2011–10/09/2020	US$2.21
	10/09/2010	15,896	10/09/2012–10/09/2020	US$2.21
	10/09/2010	15,895	10/09/2013–10/09/2020	US$2.21
	10/09/2010	15,897	10/09/2014–10/09/2020	US$2.21
	13/12/2010	5,120	10/09/2011–13/12/2020	US$5.56
	13/12/2010	5,120	10/09/2012–13/12/2020	US$5.56
	13/12/2010	5,120	10/09/2013–13/12/2020	US$5.56
	21/02/2011	22,500	21/02/2012–21/02/2021	US$6.87
	21/02/2011	22,500	21/02/2013–21/02/2021	US$6.87
	21/02/2011	22,500	21/02/2014–21/02/2021	US$6.87
	21/02/2011	22,500	21/02/2015–21/02/2021	US$6.87
	26/03/2012	22,500	26/03/2013–26/03/2022	US$5.80
	26/03/2012	22,500	26/03/2014–26/03/2022	US$5.80
	26/03/2012	22,500	26/03/2015–26/03/2022	US$5.80
	26/03/2012	22,500	26/03/2016–26/03/2022	US$5.80

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

C. Right to Acquire Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2016: (continued)

Name of director	Date of grant	Number of outstanding options as at 30 June 2016	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
Cormac O'Shea	04/04/2014	926	04/04/2015–04/04/2024	US$6.63
	04/04/2014	926	04/04/2016–04/04/2024	US$6.63
	04/04/2014	926	04/04/2017–04/04/2024	US$6.63
	04/04/2014	926	04/04/2018–04/04/2024	US$6.63
	15/06/2015	2,360	15/06/2016–15/06/2025	US$8.49
	15/06/2015	2,360	15/06/2017–15/06/2025	US$8.49
	15/06/2015	2,360	15/06/2018–15/06/2025	US$8.49
	15/06/2015	2,361	15/06/2019–15/06/2025	US$8.49
	03/06/2016	1,924	03/06/2017–03/06/2026	US$6.47
	03/06/2016	1,924	03/06/2018–03/06/2026	US$6.47
	03/06/2016	1,924	03/06/2019–03/06/2026	US$6.47
	03/06/2016	1,924	03/06/2020–03/06/2026	US$6.47

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

On 10 June 2015, the Company granted an aggregate of 5,000,000 share options to certain eligible participants under the share option scheme (the "New Scheme") adopted on 13 May 2009. Among these 5,000,000 share options, 2,300,000 options were granted to three Executive Directors and an Alternate Director. The details of such grant are set out on page 61.

Apart from as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, "Share Option Schemes" below, at no time during the six months ended 30 June 2016 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 and the last remaining batch of such options expired on 29 June 2014. Accordingly, there are no outstanding options under the Old Scheme.

SHARE OPTION SCHEMES (continued)

At the annual general meeting of the Company on 13 May 2009, an ordinary resolution was passed to approve 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 10 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 a 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 that 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.

SHARE OPTION SCHEMES (continued)

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 29 June 2007. Share options granted on 29 June 2007 (the "2007 Options") would not become vested unless the Company has achieved an average annual earnings per share growth of 5% each year in the first three full financial years after the grant date. As the vesting condition has not been met, the share option expenses of the 2007 Options recognised in previous years amounting to HK$20 million were reversed in 2010.

The subscription price for the Company's shares under the New Scheme and the Old Scheme would be a price determined by the board of directors and notified to each grantee. The subscription price would be 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.

SHARE OPTION SCHEMES (continued)

As at 30 June 2016, the aggregate number of shares issuable under share options granted under the New Scheme was 5,000,000, which represented approximately 0.92% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,000,000 additional ordinary shares of HK$0.10 each in the Company and proceeds, before relevant share issue expenses, of approximately HK$47,700,000.

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.

SHARE OPTION SCHEMES (continued)

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*	At grant date of options	Immediately before the exercise date	At exercise date of options
										HK$	HK$	HK$	HK$
Director Han Zi Jing	The New Scheme	333,333	–	–	–	–	333,333	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	333,333	–	–	–	–	333,333	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	333,334		–	–	–	333,334	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		1,000,000	–	–	–	–	1,000,000						
Teo Hong Kiong	The New Scheme	166,666	–	–	–	–	166,666	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	166,666	–	–	–	–	166,666	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	166,668	–	–	–	–	166,668	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		500,000	–	–	–	–	500,000						
Zhang Huai Jun	The New Scheme	166,666	–	–	–	–	166,666	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	166,666	–	–	–	–	166,666	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	166,668		–	–	–	166,668	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		500,000	–	–	–	–	500,000						
Zou Nan Feng	The New Scheme	100,000	–	–	–	–	100,000	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	100,000	–	–	–	–	100,000	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	100,000	–	–	–	–	100,000	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		300,000	–	–	–	–	300,000						
Other Member of senior management and other employees of the Group	The New Scheme	899,994	–	–	–	–	899,994	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	899,994	–	–	–	–	899,994	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	900,012		–	–	–	900,012	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		2,700,000	–	–	–	–	2,700,000						
In aggregate	The New Scheme	1,666,659	–	–	–	–	1,666,659	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	1,666,659	–	–	–	–	1,666,659	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	1,666,682	–	–	–	–	1,666,682	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
		5,000,000	–	–	–	–	5,000,000						

SHARE OPTION SCHEMES (continued)

* 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.

*** The vesting period of the share options is from the date of grant until the commencement of the exercise period.

On 10 June 2015, the Company granted an aggregate of 5,000,000 share options to certain eligible participants under the New Scheme. Among these 5,000,000 share options, 2,300,000 options were granted to three Executive Directors and an Alternate Director. The details of such grant are set out on page 61.

Apart from the foregoing, at no time during the six months ended 30 June 2016 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 2016, 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	273,140,500	50.42%
International Value Advisers, LLC	2	102,298,770	18.88%
Mittleman Investment Management, LLC	3	27,108,780	5.00%

Notes:

1. As at 30 June 2016, Clear Channel KNR Neth Antilles NV was an indirect wholly owned subsidiary of Clear Channel Outdoor Holdings, Inc. iHeartMedia, Inc. owns approximately 90% of the outstanding equity of Clear Channel Outdoor Holdings, Inc. Approximately 67% of the outstanding voting equity of iHeartMedia Inc., was indirectly held jointly by Bain Capital Investors, LLC and Thomas H Lee Advisors LLC.

2. International Value Advisers, LLC notified the Stock Exchange that as at 29 January 2016, 102,298,770 shares of the Company were held by it.

3. Mittleman Investment Management, LCC notified the Stock Exchange that as at 28 June 2016, 27,108,780 shares of the Company were held by it. According to the notification, Mittleman Investment Management, LLC is 100% controlled by Master Control, LLC, which is 100% controlled by Mittleman Brothers, LLC, which in turn is jointly controlled by Christopher Philip Mittleman (33.3%), David Joseph Mittleman (33.3%) and Philip Charles Mittleman (33.3%).

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 Clear Media's Chairman is separate from that of Clear Media's Chief Executive Officer. The Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee, a Capital Expenditure Committee, a Cash Committee, a Directors' Securities Dealing Committee and a Risk Committee with defined terms of reference.

Corporate governance practices adopted by the Group during the period from 1 January 2016 to 30 June 2016 are in line with the code provisions set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

None of the directors of the Company is aware of any information that would reasonably indicate that Clear Media is not, or was not for any part of the period from 1 January 2016 to 30 June 2016, in compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE OF APPENDIX 10 OF THE LISTING RULES

The directors of the Company 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 months 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 Audit Committee has reviewed the accounting policies and practices adopted by the Group as well as the unaudited interim condensed financial statements for the six months period ended 30 June 2016. 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 during the period.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither Clear Media nor any of its subsidiaries has purchased, sold or redeemed any of Clear Media's securities during the interim period.

INFORMATION IN RESPECT OF DIRECTORS

Since 1 July 2016, Mr. William Eccleshare, a non-executive director of the Company, has taken up an additional non-executive director's role at Centaur Media Plc., a company listed on the London Stock Exchange.

With effect from 9 August 2016, Mr. Desmond Murray resigned from his position as an Independent Non-Executive Director, the chairman of the Audit Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee; and Mr. Robert Gazzi was appointed as an Independent Non-Executive Director, the chairman of the Audit Committee and a member of the Nomination Committee.

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 2016	541,700,500 shares
Nominal Value:	HK$0.10 per share
Market Capitalization:	
• as at HK$6.76 per share (based on closing price on 30 June 2016)	HK$3,662 million (approximately US$471 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:

Executive Directors:
Joseph Tcheng *(Chairman)*
Han Zi Jing *(Chief Executive Officer)*
Teo Hong Kiong *(Chief Financial Officer)*
Zhang Huai Jun *(Chief Operating Officer)*

Non-Executive Directors:
William Eccleshare
Peter Cosgrove
Zhu Jia
Cormac O'Shea

Independent Non-Executive Directors:
Leonie Ki Man Fung
Wang Shou Zhi
Thomas Manning
Robert Gazzi

Alternate Director:
Zou Nan Feng (alternate to Zhang Huai Jun)

Company Secretary:	Jeffrey Yip
Head Office:	Room 1202 12th Floor The Lee Gardens 33 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
Sullivan & Cromwell (Hong Kong) LLP

PRC Law
King & Wood PRC Lawyers

Bermuda Law
Conyers Dill & Pearman

Auditors: Ernst & Young

Principal Bankers:

HSBC
Shanghai Pudong Development Bank

PRINCIPAL SHARE REGISTRAR:

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG SHARE REGISTRAR:

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUTHORISED REPRESENTATIVES:

Teo Hong Kiong
Jeffrey Yip

INVESTOR RELATIONS CONTACT:

Jeffrey Yip

PR CONSULTANT:

iPR Ogilvy & Mather

CORPORATE WEBSITES:

www.clear-media.net
www.irasia.com/listco/hk/clearmedia