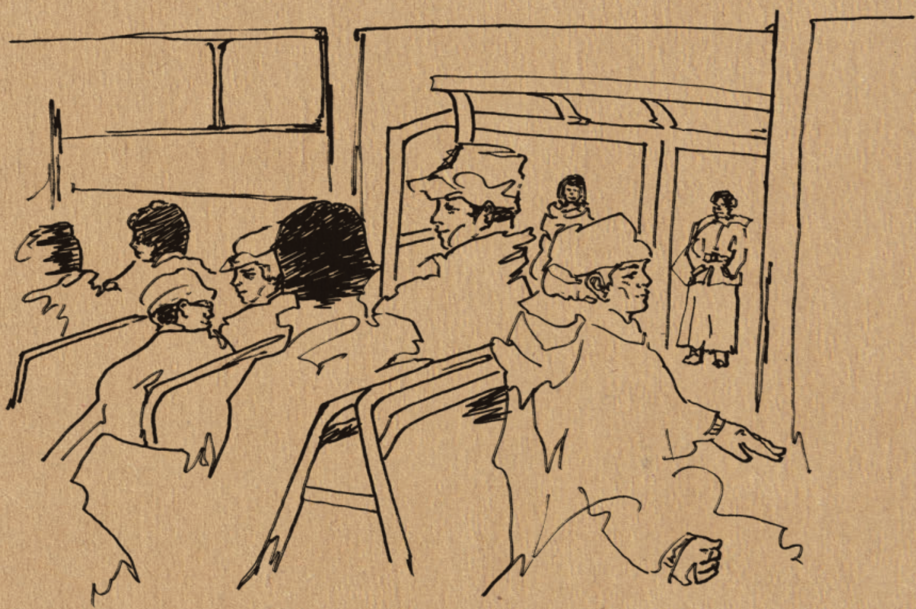
CLEAR MEDIA LIMITED
白馬戶外媒體有限公司

(Incorporated in Bermuda with limited liability)
Stock code: 100

Delivering Value Daily

Interim Report 2019



CONTENT

FINANCIAL HIGHLIGHTS

30 June 2019

- The Group's total turnover decreased by 13.4% to RMB742.2 million due to challenging operating environment.
- HKFRS 16 was adopted with impacts on costs, profitability, assets and liabilities.
- EBITDA increased by 27.8% to RMB396.1 million due to the effect of adoption of HKFRS 16. Excluding the effect of the adoption of HKFRS 16, EBITDA would have decreased by 54.9% to RMB139.6 million.
- Net loss[1] was RMB58.2 million as compared to the net profit[1] of RMB76.2 million in the same period last year. Excluding the effect of adoption of HKFRS 16, net loss would have decreased to RMB41.4 million which was mainly due to the decrease in revenue.
- Basic loss per share was RMB10.76 cents, as compared to the basic earnings per share of RMB14.09 cent in the same period last year.

1 Net profit/(loss) attributable to owners of the parent

MANAGEMENT DISCUSSION AND ANALYSIS

30 June 2019

INDUSTRY OVERVIEW

The macro-economic development in Mainland China continued to be moderate and the operating environment remained challenging. Late confirmation and last-minute cancellation of orders by advertisers persisted. The sales performance was mixed across different cities.

During the period, the advertising demand from the clients in the e-commerce and IT digital product sectors declined. The revenue contribution from the e-commerce sector decreased to 30% (1H2018: 36%) and that from the IT digital product sector decreased to 17% (1H2018: 26%). Certain key advertisers had started to be conservative with their advertising appetite since late 2018. On the other hand, the revenue contribution from food sector increased to 9% (1H2018: 5%).

OPERATION OVERVIEW

Bus Shelter Advertising

As of 30 June 2019, Clear Media operated the most extensive, standardised bus shelter advertising network in Mainland China, with a total of more than 54,000 panels (as of 30 June 2018: 54,000 panels) covering 24 cities. The Company's bus shelter advertising revenue, net of value added tax, decreased by 13.5% year on year to RMB738.0 million.

The average number of bus shelter panels increased by 3.0% during the first half of 2019. Yield per bus shelter before value added tax ("**yield**") decreased by 16.0% year on year. The decrease was mainly caused by the decline in overall occupancy rate.

Key Cities

For the six months ended 30 June 2019, the revenue from the top three cities Shanghai, Guangzhou and Beijing decreased by 17.4% to RMB451.9 million (1H2018: RMB547.0 million), driven by a lower average occupancy rate of bus shelter panels 43.5% (1H2018: 61.9%).

Mid-tier Cities

The revenue from all mid-tier cities decreased by 7.5% to RMB330.4 million (1H2018: RMB357.1 million) because the average occupancy rate of bus shelter panels operated by the Company decreased.

Digital Panel Advertising

As of 30 June 2019, the Company operated a total of 247 digital panels in Nanjing (as of 30 June 2018: 251). Total sales generated from the digital panel advertising operation, net of value added tax, amounted to RMB4.2 million (1H2018: RMB4.3 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover decreased by 13.4% to RMB742.2 million during the first half of 2019.

Other Income

Other income increased from RMB5.5 million in the prior period to RMB6.0 million mainly due to the gain on lease modification of RMB2.1 million.

Direct Cost & Expense

During the six months ended 30 June 2019, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, decreased by 50.8% to RMB183.2 million (1H2018: RMB372.4 million) due to adoption of Hong Kong Financial Reporting Standard ("**HKFRS**") 16. Most of the direct rental expenses incurred in 2019 were recognised as the amortisation of right-of-use assets on bus shelters and finance costs as the result of adoption of HKFRS 16.

Electricity costs increased by RMB11.1 million in 1H2019 mainly due to the increase in the electrified bus shelter panels.

Cleaning and maintenance costs increased by 33.6% mainly because no subsidy was received (1H2018: RMB31.1 million) from Hainan White Horse Advertising Co., Ltd. ("**Hainan White Horse**") during 2019. The cleaning and maintenance subsidy arrangement was made and has been in effect since 2001 as part of the pre-listing re-organisation 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. The cleaning and maintenance subsidy was Nil (1H2018: RMB31.1 million).

Total selling, general and administrative expenses, excluding depreciation and amortisation for the six months ended 30 June 2019 decreased by 15.2% to RMB148.9 million (1H2018: RMB175.5 million). The lower expenses were driven by the decrease in professional fees of RMB17.3 million.

FINANCIAL REVIEW (continued)

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") increased by 27.8% to RMB396.1 million (1H2018: RMB309.8 million). Excluding the effect of adoption of HKFRS 16, EBITDA would have decreased to RMB139.6 million on a like-for-like basis. The decline in like-for-like EBITDA was mainly caused by the followings: decrease in turnover of RMB115.0 million, increase in loss on disposal of Kunming bus shelters of RMB17.6 million, increase in cleaning and maintenance expenses of RMB23.7 million and direct electricity costs of RMB11.1 million during the period.

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

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
(Loss)/profit before tax	**(59,957)**	126,972
Add:		
— Foreign exchange loss	**1,916**	–
— Finance costs	**82,292**	–
— Depreciation of property, plant and equipment	**7,577**	7,552
— Amortisation of concession rights	**170,113**	180,286
— Amortisation of right-of-use assets	**196,553**	–
— Subtotal	**458,451**	187,838
Less:		
— Foreign exchange gain	**–**	(3,483)
— Interest income	**(2,375)**	(1,493)
Subtotal	**(2,375)**	(4,976)
EBITDA	**396,119**	309,834

FINANCIAL REVIEW (continued)

Finance Costs

The Group's finance costs of RMB82.3 million were interest expenses on lease liabilities due to the adoption of HKFRS 16 (1H2018: Nil).

Other Expenses

During the period under review, the Group carried no debt. The exchange loss of RMB1.9 million for six months ended 30 June 2019 (six months ended 30 June 2018: exchange gain of RMB3.5 million) was mainly due to exchange rate movement between the declaration and settlement of an inter – company dividend.

Taxation

According to the PRC Enterprise Income Tax Law effective on 1 January 2008, the Hainan White Horse Advertising Media Investment Company Limited ("**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% (2018: 25%) on its assessable profits arising in the PRC for the year 2019.

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 credited for by the Group amounting to RMB5.2 million for the six months ended 30 June 2019 while taxes provided for of RMB37.5 million for the same period last year mainly due to the decrease in assessable profits of the core bus shelter advertising business during the period.

As at 30 June 2019, the Group recognised a deferred tax liability of RMB8.7 million (31 December 2018: RMB10.5 million) and income tax payable of RMB7.6 million (31 December 2018: RMB2.7 million) in respect of the withholding tax on future dividend distribution by WHA Joint Venture. The increase in the income tax payable is due to declaration of dividend from WHA Joint Venture to the Company during the period.

FINANCIAL REVIEW (continued)

Net Loss/Profit

Net loss attributable to owners of the parent was RMB58.2 million (1H2018: net profit of RMB76.2 million) for the six months ended 30 June 2019.

Cashflow

Net cash flows from operating activities for the current period increased to RMB428.6 million (1H2018: RMB349.4 million). The increase was mainly due to decrease in trade and lease receivables and the effect of working capital changes.

Net cash flows used in investing activities during the six months ended 30 June 2019 increased to RMB142.6 million (1H2018: RMB93.5 million) mainly due to a higher level of capital expenditure in the first half of the year.

Net cash flows used in financing activities amounted to RMB223.0 million (1H2018: Nil) for the six months ended 30 June 2019 due to principal and interest elements of lease payments as the result of adoption of HKFRS 16.

Net increase in cash and cash equivalents for the six months ended 30 June 2019 was RMB63.0 million (1H2018: RMB255.9 million).

Trade and Lease Receivables

The Group's trade and lease receivables balance decreased by 14.5% to RMB737.6 million as at 30 June 2019 from RMB862.6 million as at 31 December 2018.

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. The trade and lease receivables relate to a large number of different customers.

FINANCIAL REVIEW (continued)

Trade and Lease Receivables *(continued)*

The average trade and lease receivables outstanding days, on a time-weighted basis, increased to 127 days for the current six-month period from 112 days for the same period last year. As at 30 June 2019, the allowance for expected credit losses of the trade and lease receivables increased to RMB76.6 million from RMB72.0 million as at 31 December 2018 due to slower collection from certain customers. Based on the customers' past payment history and settlement subsequent to the period end, the Company's management is of the view that the loss allowance level is adequate as of 30 June 2019. We will continue to closely monitor the trade and lease receivables balance and ensure the level of loss allowance is appropriate and prudent.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 30 June 2019 decreased to RMB201.2 million from RMB235.9 million as at 31 December 2018.

The balance as at 30 June 2019 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to RMB171.6 million (31 December 2018: RMB171.7 million), which are unsecured, interest-free and have no fixed terms of repayment.

The decrease in prepayments, deposits and other receivables was mainly due to the decrease of bus shelter rental prepayments, which was adjusted to operating lease right-of-use assets as the result of adoption of HKFRS 16.

Long-term Prepayments, Deposits and Other Receivables

The Group's total long-term prepayments, deposits and other receivables as at 30 June 2019 increased to RMB94.2 million from RMB93.8 million as at 31 December 2018. They were mainly long-term deposits placed with independent third parties for the rental of the Group's bus shelters in the PRC.

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2019 were RMB474.0 million, compared to RMB697.3 million as at 31 December 2018. The decrease was mainly due to lower capital expenditure related payables during the period. We consider it 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 2019, the Group's total assets amounted to RMB5,413.7 million, a 57.3% increase from RMB3,441.8 million as at 31 December 2018. The Group's total liabilities increased to RMB3,055.5 million as at 30 June 2019 from RMB927.3 million as at 31 December 2018. Net assets as at 30 June 2019 decreased by 6.2% to RMB2,358.2 million from RMB2,514.5 million as at 31 December 2018. This was mainly due to the operating loss in the six months ended 30 June 2019, plus the 2018 final dividends payable to the shareholders of the Group. Net current assets decreased from RMB661.1 million as at 31 December 2018 to RMB426.4 million as at 30 June 2019.

As at 30 June 2019, the Group's total cash and cash equivalents amounted to RMB536.3 million (31 December 2018: RMB473.5 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at RMB56.9 million as at 30 June 2019. Total shareholders' equity for the Group as at 30 June 2019 decreased by 6.2% to RMB2,358.2 million, from RMB2,514.5 million as at 31 December 2018. The Group's other reserves as at 30 June 2019 amounted to RMB2,174.8 million, with no material decrease over the corresponding balance as at 31 December 2018.

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 are 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.

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 2019, the Group's total cash and cash equivalents amounted to RMB536.3 million (31 December 2018: RMB473.5 million). The Group had no short-term or long-term debt outstanding as at 30 June 2019 (31 December 2018: Nil).

The Group's current policy is to maintain a low level of gearing. This policy is reviewed on an annual basis. We plan to invest in and expand our bus shelter network, and explore investment opportunities in complementary out-of-home platform with the aim to increase return to shareholders. Such investment is expected to be funded from the cash on the balance sheet and the Company's future operating cash flows.

Capital Expenditure

For the six months ended 30 June 2019, the Group invested RMB50.6 million in the construction of bus shelters and acquisition of concession rights, and RMB1.4 million on fixed assets, compared to RMB42.2 million and RMB3.2 million, respectively, for the same period last year.

Material Acquisitions and Disposals

We operated a new subsidiary in Ningbo last year. 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 2019.

Employment, Training and Development

As at 30 June 2019, the Group had a total of 601 employees, representing an increase of 2.9% compared to the same period in 2018 and total wages and salaries increased by 0.5% accordingly.

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.

FINANCIAL REVIEW (continued)

Charges on Group Assets

As at 30 June 2019, the Group had pledged deposit of RMB4.5 million (31 December 2018: RMB4.5 million) to bank as security for a letter of guarantee of RMB15.0 million (31 December 2018: RMB15.0 million).

As at 30 June 2019, a bank balance of RMB271 (31 December 2018: RMB1.3 million) was frozen in respect of a legal claim discussed in the "Contingent Liabilities" section below.

Capital Commitments

As at 30 June 2019, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to RMB208.9 million (31 December 2018: RMB214.1 million).

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 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 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 District Court in the PRC (the "**Court**") stating that a financial institution (the "**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. Total outstanding liability owed by the Group to the Supplier was RMB31.6 million. 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. On 5 August 2016, the Court issued another compulsory order requiring the Group to remit the remaining outstanding sum of about RMB14.0 million owed by the Group to the Supplier to 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.

On 15 November 2018 and 24 April 2019, the trials of the case were held on Foshan Intermediate People's Court. On 8 July 2019, the Group received the civil judgement made by the Foshan Intermediate People's Court. According to the case judgement, the Foshan Intermediate People's Court held that the underlying transaction of the Purported Supply Contracts did not exist, and ruled that the Group shall not be responsible for any debts against the Plaintiff. As of the date of this report, the Group was advised that the Plaintiff has filed an appeal to Guangdong Higher People's Court.

FINANCIAL KEY PERFORMANCE INDICATOR

EBITDA as the financial key performance indicator

EBITDA is the Group's earnings before interest, tax, depreciation and amortisation. 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, on a like-for-like basis. Details of the Group's EBITDA are set out in the "EBITDA" section.

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 affecting 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 period, 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 increased to 440 for the six months ended 30 June 2019 from 405 in the same period last year.

OUTLOOK

Management expects the operating environment for the second half of 2019 to remain challenging as uncertainties continue in the external environment and the overall China economy. The majority of key customers from the e-commerce and IT industries are expected to remain cautious with their spending.

The Group is intensifying its efforts to broaden the customer base, realign the sales organisation to improve effectiveness and implement cost savings initiatives. Despite the above strategies, if the revenue trend of the first half of 2019 continues into the second half of 2019, the Group expects to record a net loss for the full year of 2019.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2019

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道 1 號
中信大廈 22 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

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 16 to 51, which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2019 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
Hong Kong
15 August 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

	Notes	For the six months ended 30 June 2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
Revenue	4	**742,193**	857,220
Cost of sales	6	**(532,058)**	(552,686)
Gross profit		**210,135**	304,534
Other income and gains	4	**5,958**	5,461
Selling and distribution expenses		**(86,064)**	(85,942)
Administrative expenses		**(88,200)**	(97,081)
Other expenses	5	**(19,494)**	–
Finance costs	6	**(82,292)**	–
(LOSS)/PROFIT BEFORE TAX	6	**(59,957)**	126,972
Income tax credit/(expenses)	7	**5,185**	(37,459)
(LOSS)/PROFIT FOR THE PERIOD		**(54,772)**	89,513
ATTRIBUTABLE TO:			
Owners of the parent		**(58,168)**	76,195
Non-controlling interests		**3,396**	13,318
		(54,772)	89,513
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	8	**(0.1076)**	0.1409
Diluted (RMB)	8	**(0.1076)**	0.1408

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	For the six months ended 30 June	
	2019	**2018**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
(LOSS)/PROFIT FOR THE PERIOD	(54,772)	89,513
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	1,837	(3,899)
Other comprehensive income/(loss) for the period, net of tax	1,837	(3,899)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(52,935)	85,614
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:		
Owners of the parent	(56,331)	72,296
Non-controlling interests	3,396	13,318
	(52,935)	85,614

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**107,933**	109,207
Concession rights	11	**1,456,332**	1,598,423
Operating lease right-of-use assets		**2,202,015**	–
Long-term prepayments, deposits and other receivables	12	**94,227**	93,822
Deferred tax assets		**73,481**	62,469
Total non-current assets		**3,933,988**	1,863,921
CURRENT ASSETS			
Trade and lease receivables	13	**737,622**	862,613
Prepayments, deposits and other receivables	14	**201,241**	235,938
Pledged deposits and restricted cash	15	**4,500**	5,794
Cash and cash equivalents	15	**536,345**	473,508
Total current assets		**1,479,708**	1,577,853
CURRENT LIABILITIES			
Other payables and accruals	16	**474,029**	697,302
Deferred income		**11,954**	13,011
Tax payable		**111,483**	206,472
Dividend payable		**80,990**	–
Current operating lease liabilities		**374,846**	–
Total current liabilities		**1,053,302**	916,785
NET CURRENT ASSETS		**426,406**	661,068
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,360,394**	2,524,989

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**8,718**	10,536
Non-current operating lease liabilities		**1,993,484**	–
Total non-current liabilities		**2,002,202**	10,536
Net assets		**2,358,192**	2,514,453
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**56,945**	56,945
Other reserves		**2,174,817**	2,310,204
		2,231,762	2,367,149
Non-controlling interests		**126,430**	147,304
Total equity		**2,358,192**	2,514,453

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Attributable to owners of the parent										
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Exchange fluctuation reserve RMB'000	Share award reserve RMB'000	Shares held under the share award scheme RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2018 (audited)	56,945	749,213	10,749	140,735	(2,309)	1,791	(8,165)	1,272,177	2,221,136	113,759	2,334,895
Profit for the period	–	–	–	–	–	–	–	76,195	76,195	13,318	89,513
Other comprehensive loss for the period											
– Exchange differences related to foreign operations	–	–	–	–	(3,899)	–	–	–	(3,899)	–	(3,899)
Total comprehensive (loss)/income for the period	–	–	–	–	(3,899)	–	–	76,195	72,296	13,318	85,614
Equity-settled share option arrangements	–	–	2,881	–	–	–	–	–	2,881	–	2,881
Recognition of share award scheme expenses	–	–	–	–	–	390	–	–	390	–	390
Final 2017 dividend paid	–	–	–	(75,274)	–	–	–	–	(75,274)	–	(75,274)
As at 30 June 2018 (unaudited)	56,945	749,213	13,630	65,461	(6,208)	2,181	(8,165)	1,348,372	2,221,429	127,077	2,348,506
As at 1 January 2019 (audited)	**56,945**	**749,213***	**13,546***	**65,461***	**(4,805)***	**1,964***	**(8,165)***	**1,492,990***	**2,367,149**	**147,304**	**2,514,453**
(Loss)/profit for the period	–	–	–	–	–	–	–	(58,168)	(58,168)	3,396	(54,772)
Other comprehensive income for the period											
– Exchange differences related to foreign operations	–	–	–	–	1,837	–	–	–	1,837	–	1,837
Total comprehensive (loss)/income for the period	–	–	–	–	1,837	–	–	(58,168)	(56,331)	3,396	(52,935)
Equity-settled share option arrangements	–	–	1,401	–	–	–	–	–	1,401	–	1,401
Recognition of share award scheme expenses	–	–	–	–	–	665	–	–	665	–	665
Dividends payable to a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	–	(24,270)	(24,270)
Final 2018 dividend payable	–	–	–	–	–	–	–	(81,122)	(81,122)	–	(81,122)
At 30 June 2019 (unaudited)	**56,945**	**749,213***	**14,947***	**65,461***	**(2,968)***	**2,629***	**(8,165)***	**1,353,700***	**2,231,762**	**126,430**	**2,358,192**

* These reserve accounts comprise the consolidated other reserve of RMB2,174,817,000 (31 December 2018: RMB2,310,204,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Notes	For the six months ended 30 June 2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(59,957)**	126,972
Adjustments for:			
Finance costs	6	**82,292**	–
Interest income	4	**(2,375)**	(1,493)
Gain on disposal of items of property, plant and equipment	6	**(42)**	(25)
Loss/(gain) on disposal of concession rights	6	**17,620**	(460)
Depreciation of items of property, plant and equipment	6	**7,577**	7,552
Amortisation of concession rights		**170,113**	180,286
Amortisation of right-of-use assets on bus shelters		**178,721**	–
Amortisation of right-of-use assets on office rents		**17,832**	–
Impairment losses of trade and lease receivables	6	**4,591**	3,844
Recognition of long-term prepayments		**–**	1,474
Gain on lease modification	4	**(2,146)**	–
Foreign exchange losses/(gains), net	6	**1,916**	(3,483)
Share award scheme expenses	6	**665**	390
Equity-settled share option expenses	6	**1,401**	2,881
		418,208	317,938

For the six months ended 30 June 2019

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
Increase in long-term prepayments, deposits and other receivables	**(405)**	(2,023)
Decrease in trade and lease receivables	**120,400**	55,474
(Increase)/decrease in prepayments, deposits and other receivables	**(8,099)**	1,705
Increase in other payables and accruals	**919**	32,443
(Decrease)/increase in deferred income	**(1,057)**	9,156
Decrease in pledged deposits and restricted cash	**1,294**	11,998
Cash generated from operations	**531,260**	426,691
Income taxes paid	**(102,634)**	(77,294)
Net cash flows from operating activities	**428,626**	349,397
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment, excluding construction in progress	**(1,463)**	(3,203)
Proceeds from disposal of items of property, plant and equipment	**61**	25
Proceeds from disposal of concession rights	**16**	460
Purchase of concession rights	**(143,526)**	(91,307)
Interest received	**2,347**	554
Net cash flows used in investing activities	**(142,565)**	(93,471)

For the six months ended 30 June 2019

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal and interest elements of lease payments	(223,013)	–
Net cash flows used in financing activities	(223,013)	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,048	255,926
Cash and cash equivalents at beginning of period	473,508	337,423
Effect of foreign exchange rate changes, net	(211)	2,015
CASH AND CASH EQUIVALENTS AT END OF PERIOD	536,345	595,364
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	536,345	595,364

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 Clear Channel Outdoor Holdings, Inc. which is incorporated in the United States of America.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") effective as of 1 January 2019.

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information. The nature and impact of the new and revised HKFRS are described below:

Adoption of HKFRS 16

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17. Since the Group recognised the right-of-use assets in relation to the operating lease that were under HKAS 17 at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments on transition date, there was no impact on the retained earning.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Adoption of HKFRS 16 *(continued)*

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of bus shelters and office rents. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets; and (ii) leases that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Adoption of HKFRS 16 ***(continued)***

As a lessee – Leases previously classified as operating leases (continued)

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Adoption of HKFRS 16 ***(continued)***

As a lessee – Leases previously classified as operating leases (continued)

Impacts on transition (continued)

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	Increase/ (decrease) RMB'000 (Unaudited)
	Total RMB'000
Assets	
Increase in operating lease right-of-use assets	2,420,299
Decrease in prepayments, deposits and other receivables	(45,087)
Increase in total assets	2,375,212
Liabilities	
Increase in current operating lease liabilities	386,319
Increase in non-current operating lease liabilities	2,149,099
Decrease in other payables and accruals	(160,206)
Increase in total liabilities	2,375,212

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Adoption of HKFRS 16 ***(continued)***

As a lessee – Leases previously classified as operating leases (continued)

Impacts on transition (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	3,915,183
Weighted average incremental borrowing rate as at 1 January 2019	7.18%
Discounted operating lease commitments as at 1 January 2019	2,538,060
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	18,578
Add: Payments for optional extension periods not recognised as at 31 December 2018	15,936
Lease liabilities as at 1 January 2019	2,535,418

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated amortisation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Summary of new accounting policies ***(continued)***

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to extend the lease term for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Summary of new accounting policies ***(continued)***

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follow:

	Right-of-use assets			Lease liabilities
	Bus shelters RMB'000	Office rents RMB'000	Sub-total RMB'000	Total RMB'000
As at 1 January 2019	2,223,096	197,203	2,420,299	2,535,418
Amortisation charge	(179,294)	(17,832)	(197,126)	–
Additions	–	4,772	4,772	4,772
Remeasurements	(796)	–	(796)	(796)
Modifications	(25,061)	(73)	(25,134)	(30,424)
Interest expense	–	–	–	82,373
Payments	–	–	–	(223,013)
As at 30 June 2019	2,017,945	184,070	2,202,015	2,368,330

The Group recognised rental expenses from short-term leases of RMB12,633,000 for the six months ended 30 June 2019.

3. OPERATING 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, OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
Revenue		
Revenue from contracts with customers:		
Sales revenue from outdoor advertising spaces*	726,101	–
Sales revenue from digital panels**	4,178	4,289
Commission income***	630	715
	730,909	5,004
Rental income:		
Rental from outdoor advertising spaces	11,284	852,216
	742,193	857,220
Other income		
Interest income	2,375	1,493
Gain on disposal of concession rights and items of property, plant and equipment, net	–	485
Government subsidy	1,437	–
	3,812	1,978
Gains		
Foreign exchange gain	–	3,483
Gain on lease modification	2,146	–
	2,146	3,483

4. REVENUE, OTHER INCOME AND GAINS (continued)

* *Sales revenue from outdoor advertising spaces*

Sales revenue from outdoor advertising spaces represented the advertising income generated from the outdoor advertising spaces. The performance obligation is satisfied over time and the payment is generally due within 90 to 180 days from delivery of services.

** *Sales revenue from digital panels*

Sales revenue from digital panels represented the advertising income generated from the digital panels in Nanjing. The performance obligation is satisfied over time and the payment is generally due within 90 to 180 days from delivery of services.

*** *Commission income*

The Group operates certain bus shelters in Harbin with an independent third party under a profit sharing arrangement. The Group acts as an agent and the performance obligation is to arrange for the independent third party to provide services to customers. The performance obligation is satisfied over time and the payment is generally due within 90 to 180 days from delivery of services.

5. OTHER EXPENSES

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
Foreign exchange loss	**1,916**	–
Loss on disposal of concession rights and items of property, plant and equipment, net	**17,578**	–
	19,494	–

6. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
Cost of services provided	**160,970**	130,905
Operating lease rentals on bus shelters	**22,254**	241,495
Amortisation of concession rights	**170,113**	180,286
Amortisation of right-of-use assets on bus shelters	**178,721**	–
Cost of sales	**532,058**	552,686
Impairment losses of trade and lease receivables	**4,591**	3,844
Bad debt recovered	**–**	(1,125)
Auditors' remuneration	**3,000**	1,869
Depreciation of items of property, plant and equipment	**7,577**	7,552
Loss/(gain) on disposal of concession rights	**17,620**	(460)
Gain on disposal of items of property, plant and equipment	**(42)**	(25)
Operating lease rentals and property management fee on buildings	**4,760**	18,716
Amortisation of right-of-use assets on office rents	**17,832**	–
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	**79,509**	79,133
Equity-settled share option expenses	**1,401**	2,881
Share award scheme expenses	**665**	390
Pension scheme contributions	**8,797**	9,001
	90,372	91,405
Additional professional fees as a result of the misappropriation incident and related investigation	**4,420**	21,760
Foreign exchange loss/(gain)	**1,916**	(3,483)
Finance costs	**82,292**	–
Interest income	**(2,375)**	(1,493)

7. INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expenses in the interim condensed consolidated statement of profit or loss are:

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	**2018 (Unaudited) RMB'000**
Current – Hong Kong profits tax	–	–
Current – PRC corporate income tax	–	39,231
Deferred tax	**(5,185)**	(1,772)
Total tax charge for the period	**(5,185)**	37,459

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 2018: 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, 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% (2018: 25%) for the head office and its branches on its assessable profits arising in the PRC for the six months ended 30 June 2019.

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 in respect of earnings generated from 1 January 2008. As at 30 June 2019, the Group recognised a deferred tax liability of RMB8,718,000 (31 December 2018: RMB10,536,000) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

8. (LOSS)/EARNINGS PER SHARE

The calculation of the basic loss per share for the period is based on the loss attributable to ordinary equity holders of the parent of RMB58,168,000 (six months ended 30 June 2018: profit of RMB76,195,000) and the weighted average number of ordinary shares in issue less shares held under the Company's share award scheme of 540,641,800 (six months ended 30 June 2018: 540,641,800) during the period.

The calculation of the diluted loss per share for the period is based on the loss attributable to ordinary equity holders of the parent of RMB58,168,000 (six months ended 30 June 2018: profit of RMB76,195,000). The weighted adjusted average number of ordinary shares used in the calculation is the 540,641,800 (six months ended 30 June 2018: 540,641,800) ordinary shares in issue during the period, as used in the basic loss per share calculation; and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares under the share award scheme of Nil (six months ended 30 June 2018: 705,800). As the deemed conversion or exercise of the share options under the share option schemes would have an antidilutive effect on loss per share, the calculation of diluted loss per share does not assume the conversion or exercise of the share options.

9. DIVIDEND

The Board of Directors resolved not to pay any interim dividend to the shareholders in respect of the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment at a cost of RMB1,392,000 (six months ended 30 June 2018: RMB3,203,000), and incurred construction in progress at a cost of RMB14,325,000 (six months ended 30 June 2018: RMB7,399,000).

Property, plant and equipment with a net book value of RMB18,000 were disposed of by the Group during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil), resulting in a net gain on disposal of RMB42,000 (six months ended 30 June 2018: RMB25,000).

11. CONCESSION RIGHTS

During the six months ended 30 June 2019, the Group had an addition of concession rights at a cost of RMB45,657,000 (six months ended 30 June 2018: RMB38,175,000), including concession rights transferred from construction in progress of RMB9,396,000 (six months ended 30 June 2018: RMB3,352,000).

Concession rights with a net book value of RMB17,636,000 were disposed of by the Group during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil), resulting in a net loss on disposal of RMB17,620,000 (six months ended 30 June 2018: net gain on disposal of RMB460,000).

12. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments and deposits amounting to RMB70,261,000 (31 December 2018: RMB70,261,000) have been placed with certain independent third parties in connection with the rental, extension and renewal of certain of the Group's bus shelter concession rights in the PRC.

The balance as at 30 June 2019 also included a non-current portion of a prepaid bus shelter lease payment amounting to Nil (31 December 2018: RMB968,000) and a long-term rental deposit of RMB23,966,000 (31 December 2018: RMB22,593,000).

13. TRADE AND LEASE RECEIVABLES

	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Trade and lease receivables	**814,218**	934,618
Impairment	**(76,596)**	(72,005)
	737,622	862,613

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 and lease receivables relate to a diverse number of customers and are non-interest-bearing.

Included in the Group's trade and lease receivables are amounts due from the Group's related parties, Hainan White Horse Media Advertising Company Limited ("**WHM**") and White Horse (Shanghai) Investment Company Limited ("**WSI**"), of RMB59,969,000 (31 December 2018: RMB117,479,000).

13. TRADE AND LEASE RECEIVABLES (continued)

An ageing analysis of the trade and lease receivables as at the end of the reporting period, based on the revenue recognition date, and net of loss allowance is as follows:

	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Within 6 months	**606,169**	772,742
6 to 12 months	**124,060**	85,392
1 to 1.5 years	**6,572**	4,280
1.5 to 2 years	**821**	199
Over 2 years	**–**	–
Total trade and lease receivables, net	**737,622**	862,613

The movements in the loss allowance for impairment of trade and lease receivables are as follows:

	For the six months ended 30 June	
	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
At beginning of year	**72,005**	64,386
Impairment losses, net	**4,591**	3,844
Amount written off as uncollectible	**–**	(273)
At 30 June	**76,596**	67,957

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2019 included a receivable from Hainan White Horse, the non-controlling shareholder of WHA Joint Venture, amounting to RMB171,638,000 (31 December 2018: RMB171,749,000), which is unsecured, interest-free and has no fixed terms of repayment.

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

As at 30 June 2019, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("**RMB**") and in Hong Kong dollars ("**HK$**") amounted to RMB419,212,000 (31 December 2018: RMB405,698,000) and RMB121,633,000(31 December 2018: RMB73,604,000), 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 the total bank balance (including pledged deposits) among various creditworthy banks with no recent history of default.

As at 30 June 2019, the Group had pledged deposit of RMB4,500,000 (31 December 2018: RMB4,500,000) to bank as security for a letter of guarantee of RMB15,000,000 (31 December 2018: RMB15,000,000).

As at 30 June 2019, a bank balance of RMB271 (31 December 2018: RMB1,294,000) 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 interim condensed consolidated financial statements of the Group.

16. OTHER PAYABLES AND ACCRUALS

As at 30 June 2019, dividend payable declared to a non-controlling shareholder of WHA Joint Venture in March 2019, which was included in the Group's other payables and accruals balance, amounting to RMB24,270,000 (31 December 2018: Nil).

17. SHARE CAPITAL

	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Shares		
Issued and fully paid:		
541,700,500 ordinary shares (31 December 2018: 541,700,500) of HK$0.10 each (31 December 2018: HK$0.10)	**56,945**	56,945

18. SHARE AWARD SCHEME

On 31 May 2017, the Board of Directors adopted the share award scheme (the "**Share Award Scheme**"). Under the Share Award Scheme, the Board of Directors may select any employee of the Group (the "**Selected Employee**") and make an award of Shares and cash (if any) ("**Award**") to such Selected Employee and determine the reference awarded sum ("**Reference Awarded Sum**") for the purchase and/or allocation of awarded shares ("**Awarded Shares**"). The Company has appointed an independent trustee ("**Trustee**") for the administration of the Share Award Scheme.

On 31 May 2017, the Board of Directors resolved to grant three Awards comprising an aggregate Reference Awarded Sums of HK$9,600,000 (equivalent to RMB8,165,000) for the purchase of Shares and an aggregate amount of HK$4,800,000 in cash to be awarded to three Selected Employees under the Share Award Scheme. Each Award comprises (i) a share award with a Reference Awarded Sum of HK$3,200,000 and (ii) a cash award of HK$1,600,000.

18. SHARE AWARD SCHEME (continued)

The Company paid the Trustee a sum of HK$9,600,000 ("**Reference Amount**") from the Company's resources and the Trustee had applied the Reference Amount to purchase the maximum number of board lots of Shares at the prevailing market price and will hold such Shares for the benefit of the relevant Selected Employees in accordance with the Share Award Scheme and the Trust Deed.

Vesting of the three Awards granted is subject to the fulfillment (or waiver) of vesting conditions (including the EBITDA performance of the Group for the years ended 31 December 2017, 2018 and 2019) specified in the Grant Letters. The actual number of Awarded Shares (and their Related Income) and amount of cash award to be vested is subject to the performance of the Group prior to vesting and may be reduced accordingly.

On 20 March 2018, one of the Selected Employees passed away. On 29 May 2018, the Board of Directors resolved to cancel the Award granted to him under the Share Award Scheme. As at 30 June 2019, the Trustee was holding the Award Shares for this employee.

The Group has recognised a Share Award Scheme expense of RMB665,000 (six months ended 30 June 2018: RMB1,462,000) and reversed a Share Award Scheme expense of Nil (six months ended 30 June 2018: RMB1,072,000) due to the shares forfeiture mentioned above, with a net effect of RMB665,000 (six months ended 30 June 2018: RMB390,000) of expense recognised under the Share Award Scheme in profit or loss.

19. RESERVES

The amount of the Group's reserves and the movements therein for the current period and prior period are presented in the interim condensed consolidated statement of changes in equity on page 20 of this report.

20. RELATED PARTY TRANSACTIONS

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

		For the six months ended 30 June	
	Notes	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
Sales to WHM and WSI	(i)	**49,679**	138,607
Agency commission paid to WHM and WSI	(ii)	**3,421**	11,650
Bus shelter maintenance and display fees to White Horse Holding	(iii)	**25,565**	19,735
Creative services fees payable to WHM	(iv)	**2,000**	2,000
Consumption goods purchased from Guangzhou High End Internet Co. Ltd. ("**HEI**")	(v)	**314**	286

20. RELATED PARTY TRANSACTIONS (continued)

(a) *(continued)*

Notes:

(i) On 10 January 2019, WHA Joint Venture entered into a three-year framework agreement with Guangdong White Horse Advertising Company Limited ("**GWH**"), WHM and WSI for the years 2019, 2020 and 2021 on substantially the same terms as the framework agreements previously entered into between WHA Joint Venture and GWH on 22 December 2015 ("**Framework Agreement**"), save for the addition of WHM and WSI as signing parties to the Framework Agreement. The approved annual caps for the gross value of sales from GWH, WHM and WSI for the financial years ended on 31 December 2019, 2020 and 2021 were HK$457,000,000, HK$480,000,000 and HK$504,000,000, respectively. For the six-month period ended 30 June 2019, the sales exclusive value added tax and net off agency commission from WHM and WSI was RMB49,679,000, the total gross value of sales from WHM and WSI was RMB56,081,000 (approximately HK$64,189,000). The sales to 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.

(ii) The agency commission paid 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. The approved annual caps for the advertising commission payable to GWH, WHM and WSI in aggregate for the financial years ending on 31 December 2019, 2020 and 2021 shall not exceed HK$36,500,000, HK$38,500,000 and HK$40,300,000, respectively. The total advertising commission payable to WHM and WSI for the six-month period ended 30 June 2019 was RMB3,421,000 (approximately HK$3,916,000).

(iii) On 24 October 2016, WHA Joint Venture entered into a framework maintenance services agreement (the "**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 2019.

White Horse Holding is a related party of the Company because Mr. Han Zi Dian possessed more than 50% of the voting power of White Horse Holding following a capital injection into White Horse Holding and Mr. Han Zi Dian is the brother of Mr. Han Zi Jing, an executive director of the Company.

20. RELATED PARTY TRANSACTIONS *(continued)*

(a) ***(continued)***

Notes: *(continued)*

(iii) *(continued)*

Under the Framework Maintenance Services Agreement, WHA Joint Venture would pay service fees to White Horse Holding for the services provided by its branches. The service fees comprised fixed cleaning and maintenance costs, variable subsidies and discretionary bonus. The same basis for calculating the payment of the service fee is applicable to all service providers of the Group including third party service providers.

Under the Framework Maintenance Services Agreement, the service fees payable by WHA Joint Venture to White Horse Holding for the financial years ended 31 December 2017, 2018 and ending on 31 December 2019 shall not exceed HK$52,000,000, HK$60,000,000 and HK$66,000,000, respectively. Service fees shall be settled by WHA Joint Venture on a monthly basis on or before the tenth day of every month. For the six-month period ended 30 June 2019, the maintenance fees paid or payable by WHA Joint Venture for the services provided by White Horse Holding were RMB25,565,000 (approximately HK$29,561,000) (six-month period ended 30 June 2018: RMB19,735,000 (approximately HK$24,239,000)).

(iv) On 24 October 2016, WHA Joint Venture entered into a creative services agreement with WHM effective from 1 January 2017 to 31 December 2019, whereby WHM 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 no less favourable than those available from independent third parties. The annual cap for the consideration for each of the financial years ended 31 December 2017, 2018 and ending on 31 December 2019 will be no more than RMB4,000,000.

(v) During this year, WHA Joint Venture purchased food and beverages from HEI with cost of RMB314,000 (30 June 2018: RMB286,000). HEI is a related party because HEI is controlling by Mr. Han Zi Wei, who is the brother of Mr. Han Zi Jing, an executive director of the Company. The purchases from HEI were made according to the published prices and conditions offered by HEI to their major customers.

20. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

The Group had outstanding receivables from WHM and WSI of RMB51,977,000 (31 December 2018: RMB90,720,000) and RMB7,992,000 (31 December 2018: RMB26,759,000), respectively, as at the end of the reporting period. The balances 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	
	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
Short-term employee benefits	**8,701**	9,249
Equity-settled share option expenses	**649**	1,620
Share award scheme expenses	**665**	390
Pension scheme contributions	**67**	68
Total compensation paid to key management personnel	**10,082**	11,327

21. COMMITMENTS

Capital commitments

	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Contracted, but not provided for:		
Construction of shelters for which concession rights are held	**208,936**	214,100

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Financial assets				
Financial assets included in long-term prepayments, deposits and other receivables	**94,227**	26,614	**94,227**	26,614

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair value of cash and cash equivalents, pledged and restricted cash, trade and lease receivables, financial assets included in prepayments, deposits and other receivables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair value of the financial assets included in long-term prepayments, deposits and other receivables has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Assets for which fair value are disclosed:

As at 30 June 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets included in long-term prepayments, deposits and other receivables	–	94,227	–	94,227

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy *(continued)*
As at 31 December 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets included in long-term prepayments, deposits and other receivables	–	26,614	–	26,614

23. 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 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.

23. CONTINGENT LIABILITIES (continued)

On 8 January 2016, the Group received a notice from a District Court in the PRC (the "**Court**") stating that a financial institution (the "**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. Total outstanding liability owed by the Group to the Supplier was RMB31.6 million. 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. On 5 August 2016, the Court issued another compulsory order requiring the Group to remit the remaining outstanding sum of about RMB14.0 million owed by the Group to the Supplier to 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 for additional liability exceeding the outstanding liability already taken up in the accounts under other payables and accruals, between the Supplier and the Group.

On 15 November 2018 and 24 April 2019, the trials of the case were held on Foshan Intermediate People's Court. On 8 July 2019, the Group received the civil judgement made by the Foshan Intermediate Court. According to the case judgement, the Foshan Intermediate Court held that the underlying transaction of the Purported Supply Contracts did not exist, and ruled that the Group shall not be responsible for any debts against the plaintiff. As of the date of this report, the Group was advised that the plaintiff has filed an appeal to Guangdong Higher People's Court.

24. 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 15 August 2019.

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

As at 30 June 2019, 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 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 2019:

	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 2019, 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 2019: *(continued)*

On 31 May 2017, the Board of Directors adopted the share award scheme (the "**Share Award Scheme**"). Under the Share Award Scheme, the Board of Directors may select any employee of the Group (the "**Selected Employee**") and make an award of Shares and cash (if any) ("**Award**") to such Selected Employee and determine the reference awarded sum ("**Reference Awarded Sum**") for the purchase and/or allocation of Awarded Shares. The Company has appointed an independent trustee ("**Trustee**") for the administration of the Share Award Scheme.

On 31 May 2017, the Board of Directors resolved to grant three Awards comprising an aggregate Reference Awarded Sums of HK$9,600,000 (equivalent to RMB8,165,000) for the purchase of Shares and an aggregate amount of HK$4,800,000 in cash to be awarded to the following three Executive Directors under the Share Award Scheme.

Name of Directors	Aggregate sum for the purchase of shares under the share award scheme	Cash award
Han Zi Jing	HK$3,200,000	HK$1,600,000
Teo Hong Kiong*	HK$3,200,000	HK$1,600,000
Zhang Huai Jun	HK$3,200,000	HK$1,600,000

* Mr. Teo Hong Kiong passed away on 20 March 2018.

Under the Share Award Scheme, the Company paid the sum of HK$9,600,000 (being the Reference Awarded Sum) to the Trustee from the Company's resources. The Trustee then applied the Reference Awarded Sum towards the purchase of the maximum number of board lots of Shares from the market and had been holding such Shares for the benefit of the relevant Selected Employees in accordance with the Share Award Scheme and the underlying trust deed.

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 2019: *(continued)*

Vesting of the Awards granted is subject to the fulfillment (or waiver) of vesting conditions (including the EBITDA performance of the Group for the years ended 31 December 2017, 2018 and 2019) specified in the Grant Letters. The actual number of Awarded Shares (and their Related Income) and amount of cash award to be vested is subject to the performance of the Group prior to vesting and may be reduced accordingly.

On 20 March 2018, the Company's executive director Mr. Teo Hong Kiong passed away. On 29 May 2018, the board of directors of the Company resolved to cancel the Award granted to him under the Share Award Scheme.

As at 30 June 2019, the Trustee was holding the Shares for the following three Executive Directors in accordance with the Share Award Scheme and the underlying trust deed:

Name of Executive Directors	No. of Shares
Han Zi Jing	352,900
Teo Hong Kiong**	352,900
Zhang Huai Jun	352,900

** Mr. Teo Hong Kiong passed away on 20 March 2018. On 29 May 2018, the board of directors resolved to cancel the Award granted to him under the Share Award Scheme.

The interests of the directors in the share options of the Company are separately disclosed on pages 56 to 61.

B. Long Positions in the Class A Common Shares of Clear Channel Outdoor Holdings, Inc. as at 30 June 2019: (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	544,462	–	–	–	544,462	0.15%
Michael Saunter	50,000	–	–	–	50,000	0.01%

1. Clear Channel Outdoor Holdings, Inc. is a controlling shareholder of the Company.

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

C. Right to Acquire Class A Common Shares in Clear Channel Outdoor Holdings, Inc. as at 30 June 2019: (Note 2)

Name of director	Date of grant	Number of outstanding options as at 30 June 2019	Option period	Subscription price per share of Clear Channel Outdoor Holdings, Inc.
William Eccleshare	10/09/2009	15,826	10/9/2010–10/9/2019	US$1.174
	10/09/2009	31,695	10/9/2011–10/9/2019	US$1.174
	10/09/2009	16,966	10/9/2012–10/9/2019	US$1.174
	10/09/2009	16,967	10/9/2013–10/9/2019	US$1.174
	24/02/2010	6,976	24/2/2013–24/2/2020	US$1.162
	24/02/2010	15,524	24/2/2014–24/2/2020	US$1.162
	10/09/2010	15,895	10/9/2011–10/9/2020	US$1.434
	10/09/2010	15,896	10/9/2012–10/9/2020	US$1.434
	10/09/2010	15,895	10/9/2013–10/9/2020	US$1.434
	10/09/2010	15,897	10/9/2014–10/9/2020	US$1.434
	13/12/2010	5,120	10/9/2011–13/12/2020	US$4.784
	13/12/2010	5,120	10/9/2012–13/12/2020	US$4.784
	13/12/2010	5,120	10/9/2013–13/12/2020	US$4.784
	21/02/2011	22,500	21/2/2012–21/2/2021	US$6.094
	21/02/2011	22,500	21/2/2013–21/2/2021	US$6.094
	21/02/2011	22,500	21/2/2014–21/2/2021	US$6.094
	21/02/2011	22,500	21/2/2015–21/2/2021	US$6.094
	26/03/2012	22,500	26/3/2013–26/3/2022	US$5.024
	26/03/2012	22,500	26/3/2014–26/3/2022	US$5.024
	26/03/2012	22,500	26/3/2015–26/3/2022	US$5.024
	26/03/2012	22,500	26/3/2016–26/3/2022	US$5.024
	03/06/2019	729,927	31/12/2019–3/6/2029	US$5.110
	03/06/2019	729,927	31/12/2020–3/6/2029	US$5.110
	03/06/2019	729,927	31/12/2021–3/6/2029	US$5.110

2. Clear Channel Outdoor Holdings, Inc. is a controlling shareholder of the Company. The table sets out the share options granted pursuant to the share option scheme of Clear Channel Outdoor Holdings, Inc.

Save as disclosed above, none of the directors or the chief executive had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above and "Share Option Schemes" and "Share Award Scheme" below, at no time during the six months ended 30 June 2019 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.

At the annual general meeting of the Company on 13 May 2009, an ordinary resolution was passed to approve and adopt a new share option scheme (the "**New Scheme**"). The New Scheme was subsequently amended in the annual general meeting on 1 June 2012. 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.

SHARE OPTION SCHEMES (continued)

The total number of ordinary 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.

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.

SHARE OPTION SCHEMES (continued)

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.

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 from pages 59 to 61.

On 31 May 2017, the Company granted an aggregate of 1,929,000 share options to certain eligible participants under the New Scheme. Among these 1,929,000 share options, 905,000 options were granted to three Executive Directors and an Alternate Director. The details of such grant are set out from pages 59 to 61.

As at 30 June 2019, the aggregate number of shares issuable under share options granted under the New Scheme was 5,283,000, which represented approximately 1.10% 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 5,283,000 additional ordinary shares of HK$0.10 each in the Company and proceeds, before relevant share issue expenses, of approximately HK$49,584,170.

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 for a consideration of HK$1.00 per grant are set out below:

		Number of share options								Price of the Company's shares***			
Name or category of participant	Type of share option scheme	At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	At the end of the period	Date of grant of share options*	Exercise period	Exercise price per share** HK$	At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
Director													
Han Zi Jing	The 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	–	–
	The New Scheme	333,000	–	–	–	–	333,000	31/05/2017	01/02/2020 to 31/05/2024	8.99	8.99	–	–
		1,333,000	–	–	–	–	1,333,000						
Teo Hong Kiong#	The New Scheme	166,666	–	–	166,666	–	–	10/06/2015	20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	166,666	–	–	166,666	–	–	10/06/2015	20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	166,668	–	–	166,668	–	–	10/06/2015	20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	200,000	–	–	200,000	–	–	31/05/2017	20/03/2018 to 19/03/2019	8.99	8.99	–	–
		700,000	–	–	700,000	–	–						
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	–	–
	The New Scheme	266,000	–	–	–	–	266,000	31/05/2017	01/02/2020 to 31/05/2024	8.99	8.99	–	–
		766,000	–	–	–	–	766,000						
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	–	–
	The New Scheme	106,000	–	–	–	–	106,000	31/05/2017	01/02/2020 to 31/05/2024	8.99	8.99	–	–
		406,000	–	–	–	–	406,000						

SHARE OPTION SCHEMES (continued)

		Number of share options								Price of the Company's shares***			
Name or category of participant	Type of share option scheme	At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	At the end of the period	Date of grant of share options*	Exercise period	Exercise price per share** HK$	At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
Other													
Member of senior management and other employees of the Group	The New Scheme	666,662	–	–	–	–	666,662	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	666,662	–	–	–	–	666,662	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	666,676	–	–	–	–	666,676	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	778,000	–	–	–	–	778,000	31/05/2017	01/02/2020 to 31/05/2024	8.99	8.99	–	–
		2,778,000	–	–	–	–	2,778,000						
In aggregate	The New Scheme	1,433,327	–	–	(166,666)	–	1,266,661	10/06/2015	11/06/2018 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	1,433,327	–	–	(166,666)	–	1,266,661	10/06/2015	11/06/2019 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	1,433,346	–	–	(166,668)	–	1,266,678	10/06/2015	11/06/2020 to 10/06/2022	9.54	9.52	–	–
	The New Scheme	1,683,000	–	–	(200,000)	–	1,483,000	31/05/2017	01/02/2020 to 31/05/2024	8.99	8.99	–	–
		5,983,000	–	–	(700,000)	–	5,283,000						

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

** 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 Hong Kong 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 Hong Kong Stock Exchange closing prices over all of the exercises of options within the disclosure line.

\# Mr. Teo Hong Kiong, executive director of the Company, passed away on 20 March 2018. Pursuant to the rules of the New Scheme, all his unvested share options vested automatically and became immediately exercisable in full by his legal personal representative(s) within a period of one (1) year from the date of his death.

SHARE AWARD SCHEME

On 31 May 2017, the Board of Directors adopted the share award scheme (the "**Share Award Scheme**"). Under the Share Award Scheme, the Board of Directors may select any employee of the Group (the "**Selected Employee**") and make an award of ordinary shares of the Company and cash (if any) ("**Award**") to such Selected Employee and determine the reference awarded sum for the purchase and/or allocation of Awarded Shares. The Company has appointed an independent trustee for the administration of the Share Award Scheme.

The purposes of the Share Award Scheme are (i) to retain and motivate the Selected Employees; (ii) to align the interest of the Selected Employees with the long-term success of the Company; (iii) to provide fair and competitive compensation to the Selected Employees; and (iv) to drive the achievement of strategic objectives of the Company.

Under the Share Award Scheme, the Board shall not make any further Award which will result in the number of the Shares awarded by the Board under the Share Award Scheme exceeding 3% of the number of Shares in issue as at the date of adoption of the Share Award Scheme (i.e. 31 May 2017). The maximum number of Shares which may be awarded to a Selected Employee shall not exceed 1% of the number of Shares in issue as at the adoption date.

Details of awards granted under the Share Award Scheme are set out on pages 53 to 54.

Apart from the foregoing, at no time during the six months ended 30 June 2019 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 2019, 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	91,557,380	16.9%
Mittleman Investment Management, LLC	3	33,787,539	6.24%
Amiral Gestion	4	27,358,879	5.05%

Notes:

1. As at 30 June 2019, Clear Channel KNR Neth Antilles NV was an indirect wholly owned subsidiary of Clear Channel Outdoor Holdings, Inc. which is listed on the New York Stock Exchange.

2. International Value Advisers, LLC notified the Stock Exchange that as at 10 January 2019, 91,557,380 shares of the Company were held by it.

3. Mittleman Investment Management, LCC notified the Stock Exchange that as at 20 November 2018, 33,787,539 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%).

4. Amiral Gestion notified the Stock Exchange that as at 21 November 2018, 27,358,879 shares of the Company were held by it.

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 2019 to 30 June 2019 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 2019 to 30 June 2019, 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 consolidated financial statements for the six months ended 30 June 2019. The Audit Committee has also discussed with the external auditors their work in relation to the interim review. As part of discharging its responsibilities, the Audit 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.

FACTSHEET AT A GLANCE

30 June 2019

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 2019	541,700,500 shares
Nominal Value:	HK$0.10 per share
Market Capitalization:	
• as at HK$4.54 per share (based on closing price on 28 June 2019)	HK$2,459 million (approximately US$316 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

30 June 2019

DIRECTORS:

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

Non-Executive Directors:
William Eccleshare
Peter Cosgrove
Zhu Jia
Michael Saunter

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

Alternate Directors:
Zou Nan Feng (alternate to Zhang Huai Jun)
Adam Tow (alternate director to William Eccleshare)

Company Secretary:	Jeffrey Yip
Head Office:	Room 1202 12th Floor Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Registered Office:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda

30 June 2019

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 ICBC

PRINCIPAL SHARE REGISTRAR:

MUFG Fund Services (Bermuda) Limited
4th Floor, North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HONG KONG SHARE REGISTRAR:

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUTHORISED REPRESENTATIVES:

Joseph Tcheng
Jeffrey Yip

INVESTOR RELATIONS CONTACT:

Jeffrey Yip

PR CONSULTANT:

iPR Ogilvy & Mather

CORPORATE WEBSITES:

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