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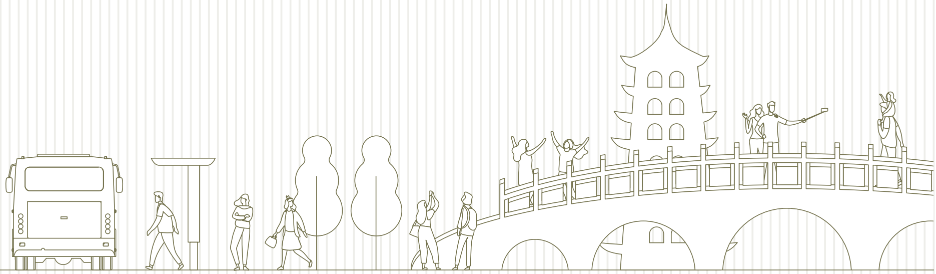
Interim Report 2020

CLEAR MEDIA LIMITED
白馬戶外媒體有限公司

Stock Code : 100

Contents



Financial Highlights

30 June 2020

- The Group's total revenue declined by 50.3% to RMB369.1 million due to reduced demand for advertising space amid the outbreak of Covid-19
- The Group reported loss before interest, tax, depreciation and amortisation of RMB45.7 million in 1H2020, compared to the earnings before interest, tax, depreciation and amortisation of RMB396.1 million in 1H2019, mainly due to the revenue decline and the impairment losses of trade and lease receivables
- Net loss[1] increased from RMB58.2 million in 1H2019 to RMB352.2 million in 1H2020 due to the revenue decline, the relatively high fixed costs and the impairment losses of trade and lease receivables
- Loss per share increased from RMB10.76 cents in 1H2019 to RMB65.08 cents in 1H2020

[1] Net loss attributable to owners of the parent

INDUSTRY OVERVIEW

References are made to the Outlook section of the 2019 annual results announcement of the Company dated 18 March 2020 and the 2019 annual report of the Company, and the trading update and profit warning announcement of the Company dated 17 July 2020.

The Group's revenue began to decline substantially in February 2020 amid the outbreak of Covid-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space. The Group's total revenue bottomed in March 2020 and it had been recovering in the second quarter of 2020.

Mainly due to the substantial revenue decline during the outbreak of Covid-19, the Group's revenue for the six months ended 30 June 2020 was RMB369.1 million, which represented a 50.3% decline, compared with that of the corresponding period in 2019 (six months ended 30 June 2019: RMB742.2 million). For the six months ended 30 June 2020, the Group recorded a net loss attributable to the owners of the parent of RMB 352.2 million, which is significantly more than RMB58.2 million, being the net loss attributable to the owners of the parent for the six months ended 30 June 2019. The net loss is mainly due to the substantial decline in the Group's revenue amid the outbreak of Covid-19, the relatively high fixed costs and the impairment losses of trade and lease receivables.

Generally speaking, except for the sales from the clients in the food, educational institution and transport sectors, the revenue from the customers operating in all key industries declined during the period. The revenue contribution from the food sector increased to 19.7% (1H2019: 9.4%) and that from the educational institutional sector increased to 6.1% (1H2019: 2.2%). During the period, 3.8% (1H2019: 1.8%) of total revenue came from clients in the transport industry.

Our employees are our most important asset and their well-being is our top priority. Since the outbreak of Covid-19 we have been strictly following government directives and actively implementing measures to protect the safety and health of our employees. We are continuing to follow such directives. Our deepest appreciation to all our colleagues for their resilience, creativity and professionalism during these challenging times.

OPERATION OVERVIEW

Bus Shelter Advertising

As of 30 June 2020, Clear Media operated the most extensive, standardised bus shelter advertising network in Mainland China, with a total of more than 58,000 panels (as of 30 June 2019: 54,000 panels) covering 24 cities. The Company's bus shelter advertising revenue, net of value added tax, decreased by 50.2% year on year to RMB367.4 million.

The average number of bus shelter panels increased by 3.7% during the first half of 2020. Yield per bus shelter before value added tax ("**yield**") decreased by 52.0% year on year. The decrease was mainly caused by the decline in overall occupancy rate.

Key Cities

For the six months ended 30 June 2020, the revenue from the top three cities Shanghai, Guangzhou and Beijing decreased by 52.1% to RMB216.5 million (1H2019: RMB451.9 million), driven by a lower average occupancy rate of bus shelter panels 36.6 % (1H2019: 43.5%).

Mid-tier Cities

The revenue from all mid-tier cities decreased by 47.7% to RMB172.9 million (1H2019: RMB330.4 million) because the average occupancy rate of bus shelter panels operated by the Company decreased.

Digital Panel Advertising

As of 30 June 2020, the Company operated a total of 246 digital panels in Nanjing (as of 30 June 2019: 247). Total sales generated from the digital panel advertising operation, net of value added tax, amounted to RMB1.7 million (1H2019: RMB4.2 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover decreased by 50.3% to RMB369.1 million during the first half of 2020.

Other Income and Gains

Other income and gains decreased from RMB6.0 million in the prior period to RMB2.2 million mainly because the gain on lease modification this period was much smaller than the first half of 2019.

FINANCIAL REVIEW (continued)

Expenses

During the six months ended 30 June 2020, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, increased by 4.8% to RMB192.0 million (1H2019: RMB183.2 million).

Electricity costs increased by RMB4.8 million in 1H2020 mainly due to the increase in the electrified bus shelter panels.

Cleaning and maintenance costs decreased by 11.5% mainly due to the revision of applicable maintenance fees as part of the cost control measures.

Total selling, general and administrative expenses, excluding depreciation and amortisation for the six months ended 30 June 2020 increased by 48.7% to RMB221.3 million (1H2019: RMB148.9 million). The higher expenses were driven by the increase in impairment losses on financial assets, RMB102.9 million for the period. Stripping out the effect of the increase in impairment losses, the decrease in selling, general and administrative expenses was mainly due to the decline in sales commission and the expense control measures including the reduction in the salary of the management.

EBITDA

The Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") decreased by 111.5% to a loss of RMB45.7 million (1H2019: RMB396.1 million earnings). Excluding the effect of the adoption of HKFRS 16, EBITDA would have decreased to a loss of RMB288.9 million on a like-for-like basis. The decline in like-for-like EBITDA was mainly caused by the decrease in turnover of RMB373.1 million and the increase in impairment losses on financial assets of RMB102.9 million during the period.

FINANCIAL REVIEW (continued)

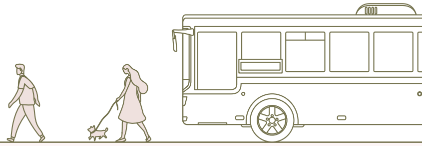
EBITDA *(Continued)*

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

	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss before tax	**(473,797)**	(59,957)
Add:		
— Foreign exchange loss	–	1,916
— Finance costs	**72,583**	82,292
— Depreciation of property, plant and equipment	**7,479**	7,577
— Amortisation of concession rights	**158,003**	170,113
— Amortisation of right-of-use assets	**191,603**	196,553
— Subtotal	**429,668**	458,451
Less:		
— Interest income	**(1,582)**	(2,375)
Subtotal	**(1,582)**	(2,375)
EBITDA	**(45,711)**	396,119

Finance Costs

The Group's finance costs of RMB72.6 million were interest expenses on lease liabilities and certain factoring arrangement financing (1H2019: RMB 82.3 million).



FINANCIAL REVIEW (continued)

Taxation

According to No. 31 Caishui 2020 "Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port ("**Hainan FTP**")" published by Ministry of Finance and State Administration of Taxation effective on 23 June 2020, the WHA Joint Venture, a subsidiary of the Company established in the Hainan FTP of the PRC, is subject to a corporate income tax of 15% (2019: 25%) for the head office and 25% (2019:25%) for its branches on its assessable profits arising in the PRC from 1 January 2020 to 31 December 2024.

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 RMB91.4 million for the six months ended 30 June 2020 while taxes credited for of RMB5.2 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 2020, the Group recognised a deferred tax liability of RMB7.1 million (31 December 2019: RMB10.4 million) and income tax payable of RMB7.6 million (31 December 2019: RMB4.3 million) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

Net Loss

Net loss attributable to owners of the parent was RMB352.2 million (1H2019: net loss of RMB58.2 million) for the six months ended 30 June 2020.

FINANCIAL REVIEW (continued)

Cashflow

Net cash flows from operating activities for the current period decreased to RMB134.5 million (1H2019: RMB428.6 million). The decrease was mainly due to the revenue decline and increase in trade and lease receivables.

Net cash flows used in investing activities during the six months ended 30 June 2020 decreased to RMB56.6 million (1H2019: RMB142.6 million) mainly due to a lower level of capital expenditure in the first half of the year.

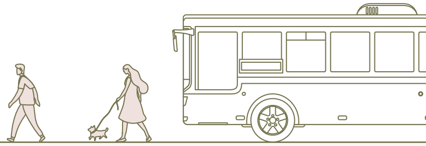
Net cash flows used in financing activities amounted to RMB119.9 million (1H2019: RMB 223.0 million) for the six months ended 30 June 2020 mainly due to the movement in principal and interest elements of lease payments.

Net decrease in cash and cash equivalents for the six months ended 30 June 2020 was RMB42.0 million (1H2019: net increase of RMB63.0 million).

Trade and Lease Receivables

The Group's trade and lease receivables balance decreased by 10.8% to RMB721.2 million as at 30 June 2020 from RMB808.2 million as at 31 December 2019.

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 218 days for the current six-month period from 127 days for the same period last year. As at 30 June 2020, the allowance for expected credit losses of the trade and lease receivables increased to RMB200.2 million from RMB93.2 million as at 31 December 2019 due to slower collection from certain customers. Such slowdown in collection of trade and lease receivables is attributable to the outbreak of COVID-19, which has led to a significant slow-down of China's economy in the first half of 2020, albeit there being a rebound in the growth of China's gross domestic product in the second quarter of 2020. During this period, many companies were faced with months of exceptionally challenging sales and trading conditions, resulting in a substantial drop in revenue. This gave rise to sudden and unanticipated pressure on the liquidity of the Company's customers and their advertising agents that are amongst such group of affected companies, leading to delay in their payments to the Company. 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 2020. 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 2020 decreased to RMB160.1 million from RMB168.2 million as at 31 December 2019.

The balance as at 30 June 2020 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to RMB125.7 million (31 December 2019: RMB125.7 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 the receivable from Clear Channel International during the period for their professional fees.

Long-term Prepayments, Deposits and Other Receivables

The Group's total long-term prepayments, deposits and other receivables as at 30 June 2020 decreased to RMB119.9 million from RMB121.8 million as at 31 December 2019. They were mainly long-term deposits placed with independent third parties for the rental of the Group's bus shelters in the PRC.

FINANCIAL REVIEW (continued)

Other Payables and Accruals

The Group's total payables and accruals as at 30 June 2020 were RMB497.8 million, compared to RMB403.9 million as at 31 December 2019. The increase was mainly due to higher bus shelter rental 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.

Assets and Liabilities

As at 30 June 2020, the Group's total assets amounted to RMB4,744.9 million, a 7.3% decrease from RMB5,116.5 million as at 31 December 2019. The Group's total liabilities increased to RMB2,792.4 million as at 30 June 2020 from RMB2,787.4 million as at 31 December 2019. Net assets as at 30 June 2020 decreased by 16.2% to RMB1,952.5 million from RMB2,329.0 million as at 31 December 2019. This was mainly due to the operating loss in the six months ended 30 June 2020. Net current assets changed from RMB300.2 million as at 31 December 2019 to net current liabilities of RMB14.9 million as at 30 June 2020.

As at 30 June 2020, the Group's total cash and cash equivalents amounted to RMB225.6 million (31 December 2019: RMB267.0 million).

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at RMB56.9 million as at 30 June 2020. Total shareholders' equity for the Group as at 30 June 2020 decreased by 16.2% to RMB1,952.5 million, from RMB2,329.0 million as at 31 December 2019. The Group's reserves as at 30 June 2020 amounted to RMB1,800.1 million, a 16.1% decrease over the corresponding balance of 31 December 2019: RMB2,146.3 million as at 31 December 2019. This was mainly due to the net loss for the period ended 30 June 2020.

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 six-month period ended 30 June 2020, 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 2020, the Group's total cash and cash equivalents amounted to RMB225.6 million (31 December 2019: RMB267.0 million). The Group had no short-term or long-term debt outstanding as at 30 June 2020 (31 December 2019: 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 2020, the Group invested RMB42.6 million in the construction of bus shelters and acquisition of concession rights, and RMB0.9 million on fixed assets, compared to RMB50.6 million and RMB1.4 million, respectively, for the same period last year.

Material Acquisitions and Disposals

There were no other material acquisitions or disposals of any subsidiaries, associates or joint ventures of the Group during the six months ended 30 June 2020.

Employment, Training and Development

The Group's revenue began to decline substantially in February 2020 amid the outbreak of Covid-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space. Various cost and expense control measures, including the reduction in the salary of the management, were introduced. As at 30 June 2020, the Group had a total of 563 employees, representing a decrease of 6.3% compared to the same period in 2019 and total wages and salaries decreased by 21.1% due to the decrease in total number of employees and the reduction in salary.

FINANCIAL REVIEW (continued)

Employment, Training and Development *(continued)*

As a matter of policy, employees are remunerated based on their performance, experience and the prevailing industry practices, and compensation policies and packages are reviewed on a regular basis. Bonuses are linked to the performance of both the Group and the individual as recognition of value creation. Share options are also granted to senior management in an effort to align their individual interests with the Group's interests. Training courses and conferences aimed at improving team members' knowledge and skills were organized throughout the period.

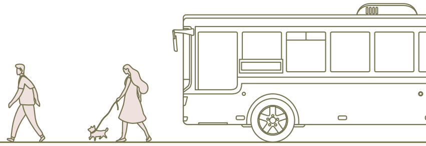
Charges on Group Assets

As at 30 June 2020, the Group had pledged deposit of RMB6.0 million (31 December 2019: RMB6.0 million) to bank as security for a letter of guarantee of RMB20.0 million (31 December 2019: RMB20.0 million).

As at 30 June 2020, a bank balance of Nil (31 December 2019: RMB271) was frozen in respect of a legal claim discussed in the "Contingent Liabilities" section below.

Capital Commitments

As at 30 June 2020, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to RMB147.3 million (31 December 2019: RMB139.7 million).



FINANCIAL REVIEW (continued)

Contingent Liabilities

During 2014, a supplier of the Group in China (the "**Supplier**") factored its accounts receivable allegedly due from the Group (the "**Accounts Receivable**") under certain supply contracts (the "**Purported Supply Contracts**") to certain financial institutions in China. Whilst the Purported Supply Contracts were allegedly entered into with a subsidiary of the Company, the Group has confirmed that none of them is an authentic supply contract to which it is a party. When the Accounts Receivable remained unpaid, the financial institutions commenced legal proceedings against, among others, the Company's subsidiary to recover an aggregate amount of approximately RMB115 million. As 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.

On 8 January 2016, the Group received a notice from a District Court in the PRC (the "**Court**") stating that a plaintiff has initiated legal action against the Supplier and that the Court has ruled in such Plaintiff's favour and has frozen the Supplier's right to receive payment from the Group for the settlement of any outstanding liability between the Supplier and the Group. 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.

FINANCIAL REVIEW (continued)

Contingent Liabilities *(continued)*

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 and the appeal was still in service process.

FINANCIAL KEY PERFORMANCE INDICATOR

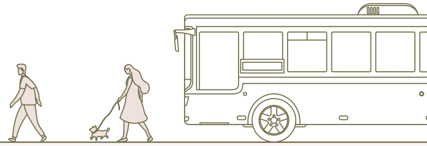
EBITDA as the financial key performance indicator

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 11 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.



KEY RELATIONSHIPS (continued)

Relationships with Employees

The Group's revenue began to decline substantially in February 2020 amid the outbreak of Covid-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space. Various cost and expense control measures, including the reduction in the salary of the management, were introduced. During the period, apart from the reduction in salary, 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 decreased to 424 for the six months ended 30 June 2020 from 440 in the same period last year.

OUTLOOK

Management expects the overall outdoor advertising market to remain challenging in the second half of 2020 given the risks of new waves of the outbreak of COVID-19 and the uncertainties of the external environment which could negatively impact customers' advertising spend. The Group is intensifying its efforts to reorganise the sales and maintenance organisation, broaden the customer base, target growth industries, attract customers with a flexible pricing policy and further implement cost savings initiatives including temporary salary reduction. The Group continues to control and reduce capital expenditure to maintain capital liquidity.

The Group's revenue began to decline substantially during February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space. The Group's revenue bottomed in March 2020. Although the Group's revenue had been recovering in the second quarter of 2020, given the magnitude of the revenue decline and the net loss attributable to the owners of the parent reported for the six months ended 30 June 2020, if the revenue trend does not significantly improve in the second half of 2020, the Group expects to record a net loss attributable to the owners of the parent to be reported for the full year of 2020 at an amount more than that for the full year of 2019.

Report on Review of Interim Condensed Consolidated Financial Statements

30 June 2020

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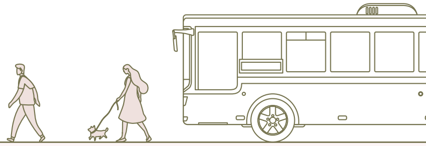
To the Board of Directors
Clear Media Limited
(Incorporated in Bermuda with limited liability)

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 18 to 54, which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2020 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.

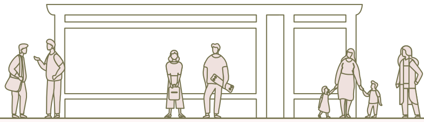
CONCLUSION

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
12 August 2020

Interim Condensed Consolidated Statement of Profit or Loss

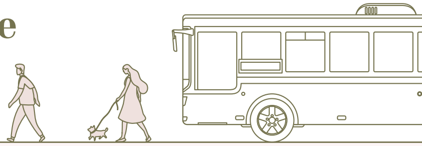
For the six months ended 30 June 2020



	Notes	For the six months ended 30 June **2020** **(Unaudited)** **RMB'000**	 2019 (Unaudited) RMB'000
Revenue	4	**369,113**	742,193
Cost of sales	6	**(523,286)**	(532,058)
Gross (loss)/profit		**(154,173)**	210,135
Other income and gains	4	**2,207**	5,958
Selling and distribution expenses		**(63,358)**	(86,064)
Administrative expenses		**(76,329)**	(83,609)
Impairment losses on financial assets, net		**(107,458)**	(4,591)
Other expenses	5	**(2,103)**	(19,494)
Finance costs	6	**(72,583)**	(82,292)
LOSS BEFORE TAX	6	**(473,797)**	(59,957)
Income tax credit	7	**91,403**	5,185
LOSS FOR THE PERIOD		**(382,394)**	(54,772)
ATTRIBUTABLE TO:			
Owners of the parent		**(352,177)**	(58,168)
Non-controlling interests		**(30,217)**	3,396
LOSS FOR THE PERIOD		**(382,394)**	(54,772)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	8	**(0.6508)**	(0.1076)
Diluted (RMB)	8	**(0.6508)**	(0.1076)

Interim Condensed Consolidated Statement of Comprehensive Income

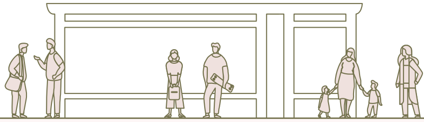
For the six months ended 30 June 2020



	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
LOSS FOR THE PERIOD	**(382,394)**	(54,772)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**666**	1,837
Other comprehensive income for the period, net of tax	**666**	1,837
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(381,728)**	(52,935)
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:		
Owners of the parent	**(351,511)**	(56,331)
Non-controlling interests	**(30,217)**	3,396
	(381,728)	(52,935)

Interim Condensed Consolidated Statement of Financial Position

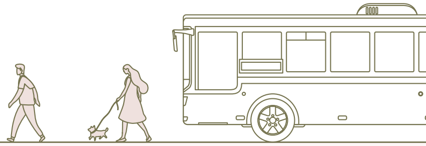
As at 30 June 2020



	Notes	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**174,667**	181,960
Concession rights	11	**1,330,789**	1,447,629
Right-of-use assets	12	**1,812,054**	2,012,557
Long-term prepayments, deposits and other receivables	13	**119,940**	121,821
Deferred tax assets		**194,548**	103,145
Total non-current assets		**3,631,998**	3,867,112
CURRENT ASSETS			
Trade and lease receivables	14	**721,237**	808,222
Prepayments, deposits and other receivables	15	**160,076**	168,154
Pledged deposits and restricted cash	16	**6,000**	6,000
Cash and cash equivalents	16	**225,608**	266,988
Total current assets		**1,112,921**	1,249,364
CURRENT LIABILITIES			
Other payables and accruals		**497,800**	403,935
Deferred income		**4,774**	11,024
Tax payable		**99,305**	117,255
Current lease liabilities	12	**525,936**	416,960
Total current liabilities		**1,127,815**	949,174
NET CURRENT (LIABILITIES)/ASSETS		**(14,894)**	300,190
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,617,104**	4,167,302

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020



	Notes	**30 June 2020 (Unaudited) RMB'000**	31 December 2019 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,098**	10,375
Non-current lease liabilities	12	**1,657,463**	1,827,891
Total non-current liabilities		**1,664,561**	1,838,266
Net assets		**1,952,543**	2,329,036
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**56,945**	56,945
Reserves		**1,800,066**	2,146,342
		1,857,011	2,203,287
Non-controlling interests		**95,532**	125,749
Total Equity		**1,952,543**	2,329,036

Interim Condensed Consolidated Statement of Changes in Equity

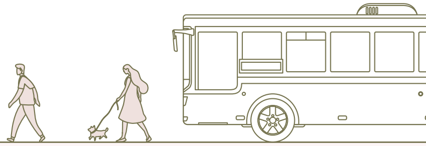
30 June 2020

	Attributable to owners of the parent											
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Statutory surplus reserve 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 2019 (audited)	56,945	749,213	13,546	65,461	248,531	(4,805)	1,964	(8,165)	1,244,459	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 income/(loss) 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 paid	–	–	–	–	–	–	–	–	(81,122)	(81,122)	–	(81,122)
At 30 June 2019 (unaudited)	56,945	749,213	14,947	65,461	248,531	(2,968)	2,629	(8,165)	1,105,169	2,231,762	126,430	2,358,192
At 1 January 2020 (audited)	56,945	747,861*	15,941*	65,461*	248,531*	(2,493)*	–*	(5,443)*	1,076,484*	2,203,287	125,749	2,329,036
Loss for the period	–	–	–	–	–	–	–	–	(352,177)	(352,177)	(30,217)	(382,394)
Other comprehensive income for the period												
— Exchange differences related to foreign operations	–	–	–	–	–	666	–	–	–	666	–	666
Total comprehensive income/(loss) for the period	–	–	–	–	–	666	–	–	(352,177)	(351,511)	(30,217)	(381,728)
Equity-settled share option arrangements	–	–	432	–	–	–	–	–	–	432	–	432
Sales of shares held under the share award scheme	–	(640)	–	–	–	–	–	5,443	–	4,803	–	4,803
At 30 June 2020 (unaudited)	56,945	747,221*	16,373*	65,461*	248,531*	(1,827)*	–*	–*	724,307*	1,857,011	95,532	1,952,543

* These reserve accounts comprise the consolidated other reserve of RMB1,800,066,000 (31 December 2019: RMB2,146,342,000) in the consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

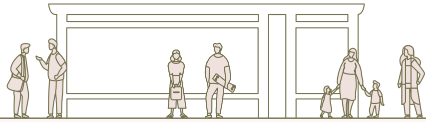
For the six months ended 30 June 2020



		For the six months ended 30 June	
		2020	2019
		(Unaudited)	(Unaudited)
	Notes	**RMB'000**	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(473,797)**	(59,957)
Adjustments for:			
Finance costs	6	**72,583**	82,292
Interest income	4	**(1,582)**	(2,375)
Gain on disposal of items of property, plant and equipment		**(42)**	(42)
Loss on disposal of concession rights		**2,145**	17,620
Depreciation of items of property, plant and equipment	6	**7,479**	7,577
Amortisation of concession rights	6	**158,003**	170,113
Amortisation of right-of-use assets on bus shelters	6	**173,254**	178,721
Amortisation of right-of-use assets on premises	6	**18,349**	17,832
Impairment losses of trade and lease receivables	6	**107,458**	4,591
Gain on lease modifications/remeasurements	4	**(286)**	(2,146)
Foreign exchange losses, net	6	**–**	1,916
Recognition of share award scheme expenses	6	**–**	665
Equity-settled share option expenses	6	**432**	1,401
		63,996	418,208

Interim Condensed Consolidated Statement of Cash Flows

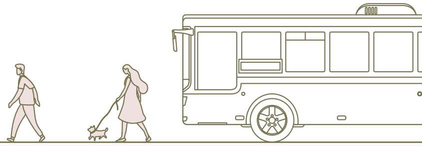
For the six months ended 30 June 2020



	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Decrease/(increase) in long-term prepayments, deposits and other receivables	**1,881**	(405)
(Increase)/decrease in trade and lease receivables	**(20,473)**	120,400
Decrease/(increase) in prepayments, deposits and other receivables	**8,353**	(8,099)
Increase in other payables and accruals	**108,495**	919
Decrease in deferred income	**(6,250)**	(1,057)
Decrease in pledged deposits and restricted cash	**–**	1,294
Cash generated from operations	**156,002**	531,260
Interest paid	**(265)**	–
Income taxes paid	**(21,227)**	(102,634)
Net cash flows from operating activities	**134,510**	428,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment, excluding construction in progress	**(917)**	(1,463)
Proceeds from disposal of items of property, plant and equipment	**44**	61
Proceeds from disposal of concession rights	**–**	16
Purchase of concession rights	**(57,763)**	(143,526)
Interest received	**2,007**	2,347
Net cash flows used in investing activities	**(56,629)**	(142,565)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020



	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal and interest elements of lease payments	**(124,730)**	(223,013)
Proceeds from selling of shares held under the share award scheme	**4,803**	–
Net cash flows used in financing activities	**(119,927)**	(223,013)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(42,046)**	63,048
Cash and cash equivalents at beginning of period	**266,988**	473,508
Effect of foreign exchange rate changes, net	**666**	(211)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**225,608**	536,345
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**225,608**	536,345

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 Ever Harmonic Global Limited which is incorporated in the Cayman Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 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 2019.

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 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions (early adopted)*
Amendment to HKAS 1 and HKAS 8	*Definition of Material*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised HKFRSs are described below: (continued)

(c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the period ended 30 June 2020, certain monthly lease payments for the leases of the Group's office buildings have been reduced or waived by the lessors as a result of the covid-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the covid-19 pandemic during the period ended 30 June 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB396,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the period ended 30 June 2020.

(d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

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 attributed 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	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Revenue from contracts with customers:		
Sales revenue from outdoor advertising spaces*	**367,178**	726,101
Sales revenue from digital panels**	**1,708**	4,178
Commission income***	**227**	630
	369,113	730,909
Rental income:		
Rental from outdoor advertising spaces	**–**	11,284
	369,113	742,193
Other income		
Interest income	**1,582**	2,375
Government subsidy	**339**	1,437
	1,921	3,812
Gains		
Gain on lease modifications/remeasurements	**286**	2,146
	286	2,146
Other income and gains	**2,207**	5,958

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	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Foreign exchange loss	–	1,916
Loss on disposal of concession rights and items of property, plant and equipment, net	**2,103**	17,578
	2,103	19,494

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of services provided	**126,960**	160,970
Compensation upon early termination of contracts	**3,938**	–
Lease payments on bus shelters not included in the measurement of lease liabilities	**–**	11,058
Services fees on bus shelters	**61,131**	11,196
Amortisation of concession rights	**158,003**	170,113
Amortisation of right-of-use assets on bus shelters	**173,254**	178,721
Cost of sales	**523,286**	532,058
Impairment losses of trade and lease receivables	**107,458**	4,591
Auditors' remuneration	**2,250**	3,000
Depreciation of items of property, plant and equipment	**7,479**	7,577
Property management fee on buildings	**2,949**	3,062
Lease payments on premises not included in the measurement of lease liabilities	**1,845**	1,698
Amortisation of right-of-use assets on premises	**18,349**	17,832
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	**62,712**	79,509
Equity-settled share option expenses	**432**	1,401
Share award scheme expenses	**–**	665
Pension scheme contributions	**4,134**	8,797
	67,278	90,372
Additional professional fees as a result of the misappropriation incident and related investigation	**1,787**	4,420
Finance costs:		
— Interest on financing	**265**	–
— Interest on lease liabilities	**72,318**	82,292
	72,583	82,292

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 in the interim condensed consolidated statement of profit or loss are:

	For the six months ended 30 June	
	2020 **(Unaudited)** **RMB'000**	2019 (Unaudited) RMB'000
Current — Hong Kong profits tax	**–**	–
Current — PRC corporate income tax	**–**	–
Deferred tax	**(91,403)**	(5,185)
	(91,403)	(5,185)

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 2019: 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 No. 31 Caishui 2020 "Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port ("**Hainan FTP**")" published by Ministry of Finance and State Administration of Taxation effective on 23 June 2020, the WHA Joint Venture, a subsidiary of the Company established in the Hainan FTP of the PRC, is subject to a corporate income tax of 15% (2019: 25%) for the head office and 25% (2019:25%) for its branches on its assessable profits arising in the PRC from 1 January 2020 to 31 December 2024.

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 2020, the Group recognised a deferred tax liability of RMB7,098,000 (31 December 2019: RMB10,375,000) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

8. LOSS 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 RMB352,177,000 (six months ended 30 June 2019: loss of RMB58,168,000) and the weighted average number of ordinary shares in issue less shares held under the Company's share award scheme of 541,176,967 (six months ended 30 June 2019: 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 RMB352,177,000 (six months ended 30 June 2019: loss of RMB58,168,000). The weighted adjusted average number of ordinary shares used in the calculation is the 541,176,967 (six months ended 30 June 2019: 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 2019: Nil). 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.

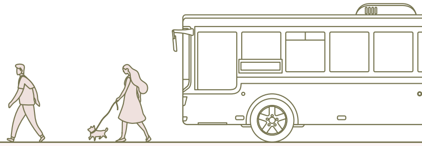
9. DIVIDEND

The Board of Directors resolved not to pay any interim dividend to the shareholders in respect of the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment at a cost of RMB917,000 (six months ended 30 June 2019: RMB1,392,000), and incurred construction in progress at a cost of RMB859,000 (six months ended 30 June 2019: RMB14,325,000).

Property, plant and equipment with a net book value of RMB2,000 were disposed of by the Group during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB18,000), resulting in a net gain on disposal of RMB42,000 (six months ended 30 June 2019: RMB42,000).



11. CONCESSION RIGHTS

During the six months ended 30 June 2020, the Group had an addition of concession rights at a cost of RMB43,308,000 (six months ended 30 June 2019: RMB45,657,000), including concession rights transferred from construction in progress of RMB1,589,000 (six months ended 30 June 2019: RMB9,396,000).

Concession rights with a net book value of RMB2,145,000 were disposed of by the Group during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB17,636,000), resulting in a net loss on disposal of RMB2,145,000 (six months ended 30 June 2019: net loss on disposal of RMB17,620,000).

12. LEASES

The Group as a lessee

The Group has lease contracts for various items of bus shelters and premises. Leases of bus shelters generally have lease terms between 2 and 18 years, while premises generally have lease terms between 2 and 7 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Bus shelters RMB'000	Premises RMB'000	Total RMB'000
As at 1 January 2020	**1,845,593**	**166,964**	**2,012,557**
Additions	**–**	**546**	**546**
Amortisation charge	**(173,254)**	**(18,349)**	**(191,603)**
Modifications/Remeasurements	**(9,446)**	**–**	**(9,446)**
As at 30 June 2020	**1,662,893**	**149,161**	**1,812,054**

12. LEASES (continued)

The Group as a lessee *(continued)*

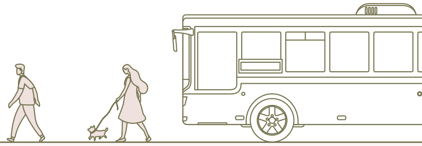
***(a) Right-of-use assets** (continued)*

	Bus shelters RMB'000	Premises RMB'000	Total RMB'000
As at 1 January 2019	2,223,096	197,203	2,420,299
Additions	–	4,772	4,772
Amortisation charge	(179,294)	(17,832)	(197,126)
Modifications/Remeasurements	(25,857)	(73)	(25,930)
As at 30 June 2019	2,017,945	184,070	2,202,015

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the period are as follows:

	2020 Lease liabilities RMB'000
Carrying amount at 1 January	**2,244,851**
New leases	**546**
Accretion of interest recognised during the period	**72,318**
Modifications/Remeasurements	**(9,190)**
Payments	**(124,730)**
Rent concessions	**(396)**
Carrying amount at 30 June 2020	**2,183,399**
Analysed into:	
Current portion	**525,936**
Non-current portion	**1,657,463**



12. LEASES (continued)

The Group as a lessee *(continued)*

***(b) Lease liabilities** (continued)*

	2019 Lease liabilities RMB'000
Carrying amount at 1 January	2,535,418
New leases	4,772
Accretion of interest recognised during the period	82,373
Modifications/Remeasurements	(31,220)
Payments	(223,013)
Carrying amount at 30 June 2019	2,368,330
Analysed into:	
Current portion	374,846
Non-current portion	1,993,484

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest on lease liabilities	**72,318**	82,373
Amortisation charge of right-of-use assets	**191,603**	197,126
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 30 June 2020 (included in cost of sales and expenses)	**1,845**	12,756
Gain on lease modifications/ remeasurements	**286**	2,146
Rent concessions	**(396)**	–
Total amount recognised in profit or loss	**265,656**	294,401

12. LEASES (continued)

The Group as a lessee *(continued)*

(d) The total cash outflow for leases included in the statement of cash flows is as follows:

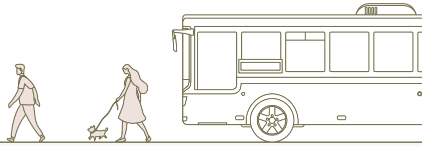
	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Within operating activities	**1,636**	4,108
Within financing activities	**124,730**	223,013
	126,366	227,121

The Group has no lease contracts that have not yet commenced as at 30 June 2020.

13. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments and deposits amounting to RMB73,938,000 (31 December 2019: RMB75,870,000) 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 2020 also included a non-current portion of a prepaid bus shelter service fee payment amounting to RMB21,985,000 (31 December 2019: RMB21,986,000) and a long-term rental deposit of RMB24,017,000 (31 December 2019: RMB23,965,000).



14. TRADE AND LEASE RECEIVABLES

	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Trade and lease receivables	**921,395**	901,419
Impairment	**(200,158)**	(93,197)
	721,237	808,222

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 RMB268,084,000 (31 December 2019: RMB248,276,000).

14. 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 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Within 6 months	**292,434**	594,122
6 to 12 months	**351,219**	202,534
1 to 1.5 years	**75,479**	10,034
1.5 to 2 years	**2,105**	1,532
Over 2 years	**–**	–
Total trade and lease receivables, net	**721,237**	808,222

14. TRADE AND LEASE RECEIVABLES (continued)

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

	For the six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
At beginning of period	**93,197**	72,005
Impairment losses, net*	**107,458**	4,591
Amount written off as uncollectible	**(497)**	–
At 30 June**	**200,158**	76,596

* The amount included impairment losses of trade and lease receivables due from the Group's related parties of RMB29,245,000 (six months ended 30 June 2019: reversal of loss allowance of RMB800,000).

** The amount included loss allowance for impairment of trade and lease receivables due from the Group's related parties of RMB35,327,000 (six months ended 30 June 2019: RMB772,000).

14. TRADE AND LEASE RECEIVABLES (continued)

Impairment Analysis

Effective from 1 January 2018, the Group has adopted HKFRS 9, which accounts for impairment losses on financial assets with a forward-looking expected credit loss ("ECL") approach. Such approach is reviewed or audited by the Group's external auditors at each reporting date. In line with the ECL approach, the Group has developed a provision matrix in respect of the trade and lease receivables ("Provision Matrix") which requires loss allowance to be based on lifetime ECLs. The Group uses the Provision Matrix to perform an impairment analysis at each reporting date. The provision rates are determined based on the number of days over-due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and lease receivables are written off if they are past due for more than one and a half years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade and lease receivables using the Provision Matrix:

As at 30 June 2020

		Past due				
	Current	Less than 6 months	6 to 12 months	1 to 1.5 years	Over 1.5 years	Total
Expected credit loss rate	3.10%	12.21%	50.39%	82.91%	100.00%	17.72%
Gross carrying amount (RMB'000)	332,952	400,055	152,148	12,321	15,778	913,254*
Expected credit losses (RMB'000)	10,324	48,837	76,669	10,216	15,778	161,824**

14. TRADE AND LEASE RECEIVABLES (continued)

Impairment Analysis *(continued)*

As at 31 December 2019

	Current	Past due: Less than 6 months	Past due: 6 to 12 months	Past due: 1 to 1.5 years	Past due: Over 1.5years	Total
Expected credit loss rate	1.47%	8.17%	51.01%	79.54%	100.00%	6.19%
Gross carrying amount (RMB'000)	625,777	220,549	20,480	7,485	11,251	885,542*
Expected credit losses (RMB'000)	9,198	18,015	10,446	5,953	11,251	54,863**

* The gross carrying amount represented the balance before considering the impact of volume rebates. The Group collects trade and lease receivables on a gross basis and settles volume rebates annually in cash with the customers.

** The Group's loss allowance included expected credit losses and individual impairment. The individually impaired trade and lease receivables as at 30 June 2020 amounted to RMB38,334,000, which were related to customers that were in financial difficulties or were in default in interest and/or principal payments.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables as at 30 June 2020 included a receivable from Hainan White Horse, the non-controlling shareholder of WHA Joint Venture, amounting to RMB125,749,000 (31 December 2019: RMB125,749,000), which is unsecured, interest-free and has no fixed terms of repayment.

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

As at 30 June 2020, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("**RMB**") and in Hong Kong dollars ("**HK$**") amounted to RMB204,137,000 (31 December 2019: RMB252,024,000) and RMB27,471,000 (31 December 2019: RMB20,964,000), 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 authorized 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are placed for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

As at 30 June 2020, the Group had pledged deposit of RMB6,000,000 in total (31 December 2019: RMB6,000,000) to bank as security for a letter of guarantee of RMB20,000,000 in total (31 December 2019: RMB20,000,000).

As at 30 June 2020, a bank balance of Nil (31 December 2019: RMB271) 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.

17. SHARE CAPITAL

	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Issued and fully paid:		
541,700,500 ordinary shares (31 December 2019: 541,700,500) of HK$0.10 each (31 December 2019: 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.

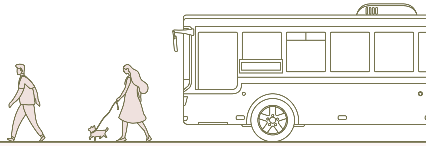
On 20 March 2018, one of the Selected Employees passed away. On 29 May 2018, the Board of Directors resolved to cancel the Award granted to him under the Share Award Scheme. As at 31 December 2019, these Awarded Shares had already been sold off.

On 18 March 2020, the Board of Directors resolved to cancel and sell the remaining Awarded Shares as the vesting conditions were not satisfied. As at 30 June 2020, these Awarded Shares had already been sold off.

No Share Award Scheme expense was recognised in profit or loss for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB665,000).

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 22 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:

		For the six months ended 30 June	
		2020	2019
		(Unaudited)	(Unaudited)
	Notes	**RMB'000**	RMB'000
Sales to WHM and WSI	(i)	80,589	49,679
Agency commission paid to WHM and WSI	(ii)	**6,059**	3,421
Bus shelter maintenance and display fees to White Horse Holding	(iii)	**20,493**	25,565
Creative services fees payable to WHM	(iv)	**2,000**	2,000
Consumption goods purchased from Guangzhou High End Internet Co. Ltd. ("**HEI**")	(v)	**4**	314

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, and ending on 31 December 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 2020, the sales exclusive value added tax and net off agency commission from WHM and WSI was RMB80,589,000, the total gross value of sales from WHM and WSI was RMB91,483,000 (approximately HK$100,919,000). 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 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 ended on 31 December 2019, and ending on 31 December 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 2020 was RMB6,059,000 (approximately HK$6,684,000).

(iii) On 18 December 2019, 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 2022.

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 each of the financial years ending on 31 December 2020, 2021 and 2022 shall not exceed HK$60,000,000, 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 2020, the maintenance fees paid or payable by WHA Joint Venture for the services provided by White Horse Holding were RMB20,493,000 (approximately HK$22,621,000) (six-month period ended 30 June 2019: RMB25,565,000 (approximately HK$29,561,000)).

(iv) On 18 December 2019, WHA Joint Venture entered into a creative services agreement with WHM effective from 1 January 2020 to 31 December 2022, whereby WHM agreed to provide creative design service 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 ending on 31 December 2020, 2021 and 2022 will be no more than RMB4,000,000.

(v) During this period, WHA Joint Venture purchased food and beverages from HEI with cost of RMB4,000 (30 June 2019: RMB314,000). 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 RMB245,266,000 (31 December 2019: RMB231,361,000) and RMB22,818,000 (31 December 2019: RMB16,915,000), 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	
	2020	2019
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Short-term employee benefits	**7,728**	8,701
Equity-settled share option expenses	**204**	649
Share award scheme expenses	**–**	665
Pension scheme contributions	**75**	67
Total compensation paid to key management personnel	**8,007**	10,082

21. COMMITMENTS

(a) Capital commitments

	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Contracted, but not provided for:		
Construction of shelters for which concession rights are held	**147,271**	139,696

(b) The Group has no lease contracts that have not yet commenced as at 30 June 2020.

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 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000	**30 June 2020 (Unaudited) RMB'000**	31 December 2019 (Audited) RMB'000
Financial assets				
Financial assets included in long-term prepayments, deposits and other receivables	**97,954**	99,836	**97,954**	99,836

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 2020

	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	–	97,954	–	97,954

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

Fair value hierarchy *(continued)*

As at 31 December 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	–	99,836	–	99,836

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 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 and the appeal was still in service process.

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 12 August 2020.

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

As at 30 June 2020, 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 2020:

	Number of shares held, capacity and nature of interest					
Name of director	Directly beneficially owned	Through spouse or minor children	Through controlled corporation (Note)	Beneficiary of a trust	Total	% of the Company's issued share capital
Han Zi Jing	–	–	6,600,000	–	6,600,000	1.22%

Notes: 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 2020, 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 2020: *(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 2020: *(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.

On 18 March 2020, the Board of Directors resolved to cancel and sell the Shares for the two Executive Directors as the vesting conditions were not satisfied. As at 30 June 2020, these Awarded Shares had already been sold off.

The interests of the directors in the share options of the Company are separately disclosed on pages 58 to 63.

B. Long Positions in the ordinary shares of City Lead Developments Limited as at 30 June 2020: (Note 1)

	Number of shares held, capacity and nature of interest					
Name of director	Indirectly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	% of City Lead Developments Limited's issued share capital
Han Zi Jing	4,000	–	–	–	4,000	40%

1. Ever Harmonic Global Limited, a controlling shareholder of the Company, is wholly owned by City Lead Developments Limited, which is held as to 40% by Forward Elite Holdings Limited. Forward Elite Holdings Limited is wholly owned by Mr. Han Zi Jing.

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

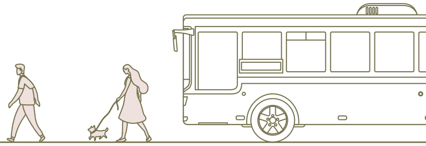
Save as disclosed above, none of the directors or the chief executive had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the 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 2020 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director, or his or her respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

Prior to 28 November 2008, the Company operated, among others, a share option scheme (the "**Old Scheme**") for the purpose of providing incentives and rewards to eligible participants who contributed to the Group's operations. The Old Scheme became effective on 28 November 2001 and expired on 28 November 2008, after then no further options had been granted under the Old Scheme. Options which were granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the last remaining batch of such options expired on 29 June 2014. Accordingly, there are no outstanding options under the Old Scheme.



SHARE OPTION SCHEMES (continued)

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

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.

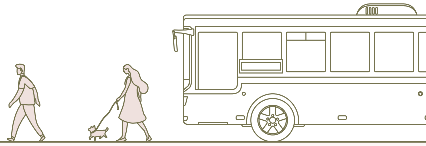
SHARE OPTION SCHEMES (continued)

An option may be exercised in accordance with the respective terms of the New Scheme or Old Scheme at any time during the option period. The option period was determined by the board of directors and communicated to each grantee. The board of directors may provide restrictions on the period during which the options may be exercised. There are no performance targets which must be achieved before any of the options can be exercised except for the share options granted on 29 June 2007. Share options granted on 29 June 2007 (the "**2007 Options**") would not become vested unless the Company has achieved an average annual earnings per share growth of 5% each year in the first three full financial years after the grant date. As the vesting condition has not been met, the share option expenses of the 2007 Options recognised in previous years amounting to HK$20 million were reversed in 2010.

The subscription price for the Company's shares under the New Scheme and the Old Scheme would be a price determined by the board of directors and notified to each grantee. The subscription price would be the highest of: (i) the nominal value of a share; (ii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. An option shall be deemed to have been granted and accepted by an eligible participant (as defined in the respective schemes) and to have taken effect when the acceptance form as described in the respective schemes is completed, signed and returned by the grantee with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant.

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 61 to 63.

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 61 to 63.



SHARE OPTION SCHEMES (continued)

As at 30 June 2020, the aggregate number of shares issuable under share options granted under the New Scheme was 3,184,000, which represented approximately 0.59% 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 3,184,000 additional ordinary shares of HK$0.10 each in the Company and proceeds, before relevant share issue expenses, of approximately HK$29,889,160.

Reference is made to the announcement on the close of the offers made by CLSA Limited and China International Capital Corporation Hong Kong Securities Limited for and on behalf of Ever Harmonic Global Limited to acquire all the issued shares and to cancel all outstanding share options of Clear Media Limited, dated 13 July 2020. Pursuant to the New Scheme, following the close of the offers as set out in the above-mentioned announcement, the remaining share options lapsed on 13 July 2020.

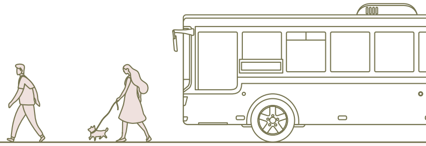
The maximum number of shares issuable under share options which may be granted to each eligible participant under the New Scheme within any 12-month period up to the date of the latest grant is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

As at 30 June 2020, 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	Cancelled 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)	-						

SHARE OPTION SCHEMES (continued)

Name or category of participant	Type of share option scheme	Number of share options: At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	Cancelled during the period	At the end of the period	Date of grant of share options*	Exercise period	Price of the Company's shares***: Exercise price per share** HK$	At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
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						
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						



SHARE OPTION SCHEMES (continued)

Name or category of participant	Type of share option scheme	Number of share options: At the beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	Cancelled during the period	At the end of the period	Date of grant of share options*	Exercise period	Price of the Company's shares***: Exercise price per share** HK$	At grant date of options HK$	Immediately before the exercise date HK$	At exercise date of options HK$
In aggregate	The New Scheme	1,266,661	–	–	–	–	(499,999)	766,662	10/06/2015	11/06/2018 to 10/06/2022/ 20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	1,266,661	–	–	–	–	(499,999)	766,662	10/06/2015	11/06/2019 to 10/06/2022/ 20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	1,266,678	–	–	–	–	(500,002)	766,676	10/06/2015	11/06/2020 to 10/06/2022/ 20/03/2018 to 19/03/2019	9.54	9.52	–	–
	The New Scheme	1,483,000	–	–	–	–	(599,000)	884,000	31/05/2017	01/02/2020 to 31/05/2024/ 20/03/2018 to 19/03/2019	8.99	8.99	–	–
		5,283,000	–	–	–	–	(2,099,000)	3,184,000						

* 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.

SHARE AWARD SCHEME

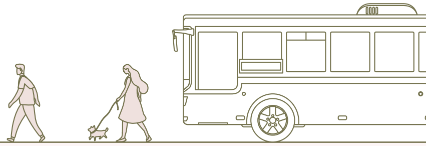
On 31 May 2017, the Board of Directors adopted the share award scheme (the "**Share Award Scheme**"). Under the Share Award Scheme, the Board of Directors may select any employee of the Group (the "**Selected Employee**") and make an award of ordinary shares of the Company and cash (if any) ("**Award**") 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 56 to 57.

Apart from the foregoing, at no time during the six months ended 30 June 2020 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 2020, 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
Ever Harmonic Global Limited	1	477,085,516	88.07%
Aimia Inc.	2	58,744,450	10.85%

Notes:

1. Ever Harmonic Global Limited notified the Stock Exchange that as at 1 June 2020, 477,085,516 shares of the Company were held by it. Ever Harmonic Global Limited, a controlling shareholder of the Company, is wholly owned by City Lead Developments Limited, which is held as to 40% by Forward Elite Holdings Limited. Forward Elite Holdings Limited is wholly owned by Mr. Han Zi Jing.

2. Aimia Inc. notified the Stock Exchange that as at 13 May 2020, 58,774,450 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 2020 to 30 June 2020 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.

CORPORATE GOVERNANCE (continued)

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 2020 to 30 June 2020, 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 2020. 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

Other than the sale of the 705,800 Awarded Shares under the Share Award Scheme as mentioned in note 18 to the interim condensed consolidated financial statements, neither Clear Media nor any of its subsidiaries has purchased, sold or redeemed any of Clear Media's securities during the interim period.

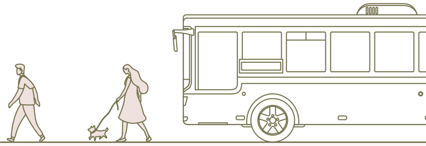
PUBLIC FLOAT

Trading in the shares of the Company has been suspended since 14 July 2020. Please refer to the Company's announcement dated 14 July 2020 for details.

The Company will make further announcement to inform its shareholders and potential investors of the development as and when appropriate pursuant to the Listing Rules.

Factsheet at a Glance

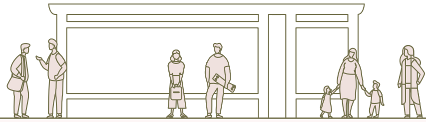
30 June 2020



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 2020	541,700,500 shares
Nominal Value:	HK$0.10 per share
Market Capitalization:	
• as at HK$7.12 per share (based on closing price on 28 June 2020)	HK$3,857 million (approximately US$496 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 2020



DIRECTORS:

Executive Directors:

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

Non-Executive Director:

Peter Cosgrove

Independent Non-Executive Directors:

Robert Gazzi
Wang Shou Zhi
Thomas Manning (resigned on 10 July 2020)
Christopher Thomas

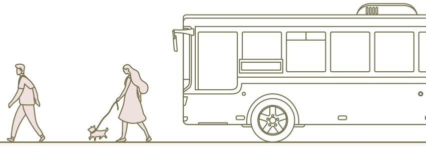
Alternate Directors:

Zou Nan Feng (alternate to Zhang Huai Jun)

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

Corporate Information

30 June 2020



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

Corporate Information

30 June 2020

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