

FAQs



Q Why did Clear Media diversify into bus advertising? What are the plans for the future? And how many buses are we talking about?

A Our medium-term objective is to diversify into other outdoor advertising businesses, in order to broaden our product line to better serve leading advertisers in this growth market. And bus-body advertising is the next logical step beyond bus-shelter advertising.

Clear Media now has the right to operate, manage and lease advertising space on over 3,100 buses in an agreement with the Shenzhen Public Transport Advertising Company (SPTA). These buses cover over 130 bus routes in Shenzhen and account for a nearly 70% market share in this particular niche.

We believe that Shenzhen, the fourth largest city in China with robust economic growth, is an outdoor advertising market with immense potential. We are confident that our new outdoor operation will provide advertisers with greater impact. This agreement will further enhance our market presence in Shenzhen and pave the way for us to develop our bus-body advertising business in other key cities in China.



Q What is the capital expenditure to convert static advertising panels in Shanghai to scrolling panels? Are there plans for conversions in other cities?



A The total expenditure for panel conversion in Shanghai was around HK\$66 million. The newly converted scrolling panels, which command higher prices compared to static bus shelter panels, were well received by advertisers. Encouraged by the positive feedback, we intend to convert some of our existing advertising panels to scrolling panels in cities with relatively high occupancy rates. We will continue to explore new opportunities to create value for our advertisers.



Q What has been the response so far to your Olympics advertising package?



A Customer feedback to the Olympics advertising package we launched in late 2006 has been good. We expect that as the Olympic Games get closer, the demand for this package will increase, providing a solid sales contribution to us in 2007.