1. The Group's total turnover increased by 6.1% to RMB1,706.3 million.
2. EBITDA increased by 5.8% to RMB739.3 million.
3. Net profit[1] increased by 1.1% to RMB243.3 million.
4. Basic earnings per share increased by 1.1% to RMB44.92 cents.
5. The Directors proposed a final dividend of HK17 cents per share (2016: HK17 cents).

CLEAR MEDIA LIMITED
白馬戶外媒體有限公司 *

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The Board of Directors (the "Board") of Clear Media Limited (the "Company" or "Clear Media") and its subsidiaries (hereinafter collectively referred to as the "Group") are pleased to announce that the consolidated results of the Group for the year ended 31 December 2017, which has been reviewed by the Audit Committee of the Company, together with the comparative results for the previous year, are as follows:

1. Net profit attributable to shareholders of the Company.

* *For identification purposes only*
** *Figures restated*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	**2017**	2016
		RMB'000	*RMB'000*
			(Restated)
Revenue	*4*	**1,706,306**	1,607,778
Cost of sales		**(942,475)**	(896,487)
Gross profit		**763,831**	711,291
Other income	*4*	**3,879**	4,248
Selling and distribution expenses		**(185,674)**	(166,380)
Administrative expenses		**(176,455)**	(162,977)
Other expenses		**(1,660)**	(5,842)
Finance costs	*6*	**(5,083)**	(1,327)
Loss on misappropriation of funds	*1.2*	**(4,095)**	(2,416)
PROFIT BEFORE TAX	*5*	**394,743**	376,597
Income tax expenses	*7*	**(118,103)**	(106,586)
PROFIT FOR THE YEAR		**276,640**	270,011
ATTRIBUTABLE TO:			
Owners of the parent	*8*	**243,314**	240,727
Non-controlling interests		**33,326**	29,284
		276,640	270,011
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	*8*	**0.4492**	0.4444
Diluted (RMB)	*8*	**0.4492**	0.4444

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017 *RMB'000*	2016 *RMB'000* (Restated)
Profit for the year	**276,640**	270,011
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(6,575)**	7,950
Other comprehensive (loss)/income for the year, net of tax	**(6,575)**	7,950
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**270,065**	277,961
ATTRIBUTABLE TO:		
Owners of the parent	**236,739**	248,677
Non-controlling interests	**33,326**	29,284
	270,065	277,961

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	**2017** **RMB'000**	2016 RMB'000 (Restated)	2015 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	9	**41,754**	49,149	50,943
Concession rights	10	**1,657,662**	1,596,488	1,556,960
Long-term prepayments, deposits and other receivables	11	**93,209**	81,127	74,363
Total non-current assets		**1,792,625**	1,726,764	1,682,266
CURRENT ASSETS				
Trade receivables	12	**729,579**	612,264	575,700
Prepayments, deposits and other receivables	13	**182,088**	159,064	119,831
Due from related parties	14	**85,344**	99,313	89,438
Pledged deposits and restricted cash	15	**17,789**	1,285	1,282
Cash and cash equivalents	15	**337,423**	441,540	507,300
Total current assets		**1,352,223**	1,313,466	1,293,551
CURRENT LIABILITIES				
Other payables and accruals		**682,086**	599,827	541,190
Deferred income		**3,329**	3,282	3,000
Tax payable		**75,412**	78,177	65,439
Total current liabilities		**760,827**	681,286	609,629
NET CURRENT ASSETS		**591,396**	632,180	683,922
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,384,021**	2,358,944	2,366,188
NON-CURRENT LIABILITIES				
Deferred tax liabilities		**62,700**	76,045	87,893
Total non-current liabilities		**62,700**	76,045	87,893
Net assets		**2,321,321**	2,282,899	2,278,295
EQUITY				
Equity attributable to owners of the parent				
Share capital	16	**56,945**	56,945	56,945
Other reserves		**2,151,975**	2,123,102	2,117,590
		2,208,920	2,180,047	2,174,535
Non-controlling interests		**112,401**	102,852	103,760
Total equity		**2,321,321**	2,282,899	2,278,295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Attributable to owners of the parent										
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Foreign currency translation reserve RMB'000	Share award reserve RMB'000	Shares held under the share award scheme RMB'000	Retained profits RMB'000 (Restated)	Total RMB'000 (Restated)	Non-controlling interests RMB'000 (Restated)	Total equity RMB'000 (Restated)
As at 1 January 2016	56,945	878,183	2,864	38,851	(3,684)	–	–	1,201,376	2,174,535	103,760	2,278,295
Profit for the year	–	–	–	–	–	–	–	240,727	240,727	29,284	270,011
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	7,950	–	–	–	7,950	–	7,950
Total comprehensive income for the year	–	–	–	–	7,950	–	–	240,727	248,677	29,284	277,961
Equity-settled share option arrangements	–	–	3,425	–	–	–	–	–	3,425	–	3,425
Transfer to contributed surplus*	–	(128,970)	–	128,970	–	–	–	–	–	–	–
Dividends paid/payable to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(30,192)	(30,192)
Final 2015 dividend paid	–	–	–	(27,086)	–	–	–	(47,175)	(74,261)	–	(74,261)
Special dividend paid	–	–	–	–	–	–	–	(172,329)	(172,329)	–	(172,329)
At 31 December 2016	56,945	749,213**	6,289**	140,735**	4,266**	–	–	1,222,599**	2,180,047	102,852	2,282,899

	Attributable to owners of the parent										
	Share capital *RMB'000*	**Share premium account** *RMB'000*	**Share option reserve** *RMB'000*	**Contributed surplus** *RMB'000*	**Foreign currency translation reserve** *RMB'000*	**Share award reserve** *RMB'000*	**Shares held under the share award scheme** *RMB'000*	**Retained profits** *RMB'000* (Restated)	**Total** *RMB'000* (Restated)	**Non-controlling interests** *RMB'000* (Restated)	**Total equity** *RMB'000* (Restated)
As at 1 January 2017	56,945	749,213	6,289	140,735	4,266	–	–	1,222,599	2,180,047	102,852	2,282,899
Profit for the year	–	–	–	–	–	–	–	243,314	243,314	33,326	276,640
Other comprehensive loss for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	(6,575)	–	–	–	(6,575)	–	(6,575)
Total comprehensive (loss)/ income for the year	–	–	–	–	(6,575)	–	–	243,314	236,739	33,326	270,065
Equity-settled share option arrangements	–	–	4,460	–	–	–	–	–	4,460	–	4,460
Recognition of share award scheme expenses	–	–	–	–	–	1,791	–	–	1,791	–	1,791
Purchases of shares held under the share award scheme	–	–	–	–	–	–	(8,165)	–	(8,165)	–	(8,165)
Dividends paid/payable to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(23,777)	(23,777)
Final 2016 dividend paid	–	–	–	–	–	–	–	(79,979)	(79,979)	–	(79,979)
Special dividend paid	–	–	–	–	–	–	–	(125,973)	(125,973)	–	(125,973)
At 31 December 2017	56,945	749,213**	10,749**	140,735**	(2,309)**	1,791**	(8,165)**	1,259,961**	2,208,920	112,401	2,321,321

* Pursuant to a resolution passed at the general meeting held on 7 September 2016, the amount of RMB128,970,000 (equivalent to HK$150,000,000) was transferred from the share premium account to the contributed surplus account. Under the Companies Act 1981 of Bermuda, a company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

** These reserve accounts comprise the consolidated other reserves of RMB2,151,975,000 (2016: RMB2,123,102,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	Notes	2017 RMB'000	2016 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**394,743**	376,597
Adjustments for:			
Impairment and write-down of concession rights	5	**1,645**	3,580
Loss on disposal of concession rights	5	**53**	2,467
Impairment losses of trade receivables recognised	5	**30,716**	20,009
Gain on disposal of items of property, plant and equipment	5	**(38)**	(205)
Depreciation of items of property, plant and equipment	5	**14,828**	14,656
Recognition of prepaid lease payments		**2,018**	2,018
Amortisation of concession rights	5	**328,508**	310,163
Foreign exchange losses, net	5	**5,083**	1,327
Share award scheme expense	5	**1,791**	–
Equity-settled share option expense	5	**4,460**	3,425
Interest income	4	**(3,879)**	(4,248)
		779,928	729,789
Increase in long-term prepayments, deposits and other receivables		**(19,499)**	(8,782)
Increase in trade receivables		**(148,031)**	(56,573)
Increase in prepayments, deposits and other receivables		**(23,862)**	(39,435)
Decrease/(increase) in amounts due from related parties		**13,969**	(9,875)
Increase/(decrease) in other payables and accruals		**107,109**	(15,890)
Increase in deferred income		**47**	282
Cash generated from operations		**709,661**	599,516
Income taxes paid		**(134,213)**	(105,699)
Net cash flows from operating activities		**575,448**	493,817

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(7,672)**	(14,837)
Proceeds from disposal of items of property, plant and equipment	**72**	206
Proceeds from disposal of concession rights	**24**	161
Purchase of concession rights	**(405,882)**	(289,949)
Interest received	**3,816**	4,450
Increase in pledged deposits	**(16,504)**	–
Net cash flows used in investing activities	**(426,146)**	(299,969)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	**(205,952)**	(246,590)
Dividends paid to a non-controlling shareholder of a subsidiary	**(27,654)**	(19,625)
Purchase of shares held under the share award scheme	**(8,165)**	–
Net cash flows used in financing activities	**(241,771)**	(266,215)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(92,469)**	(72,367)
Cash and cash equivalents at beginning of year	**441,540**	507,300
Effect of foreign exchange rate changes, net	**(11,648)**	6,607
CASH AND CASH EQUIVALENTS AT END OF YEAR	**337,423**	441,540
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**337,423**	441,540

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for cash-settled share-based payments which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 LOSS ON MISAPPROPRIATION OF FUNDS, PRIOR YEAR ADJUSTMENTS AND RESTATEMENTS

The Board of Directors, through the announcements dated 2 January 2018, 8 February 2018 and 19 March 2018, informed the shareholders and potential investors that there was misappropriation of certain funds. Since the announcement dated 2 January 2018, a special committee was established to (i) vigorously pursue all available remedies and options to recover any loss and minimise any damage caused by the misappropriation; (ii) consider the engagement of external professional parties to conduct a forensic investigation on the misappropriation and (iii) review the internal control system of the Group to prevent similar incidents from taking place again. The Company has put in place enhanced internal control measures on monitoring cash payments and cash balances at banks. An independent external law firm and an independent accounting firm have been engaged to conduct a forensic investigation and to assist the special committee of the Company in investigating matters arising from the misappropriation and other related matters. The misappropriation of funds has been referred to the police for investigation.

Both the Company's investigation and the police investigation into the misappropriation are ongoing, but based on preliminary findings to date, it appears that a cashier of the Guangzhou office made unauthorized and unrecorded transactions through two of the Company's bank accounts, falsified documents retained in the Company's books and records, and used deception to keep such transactions undetected. The cashier also apparently colluded with another employee with respect to certain fraudulent transactions. Both employees are under police arrest with respect to the misappropriation. To date, there is no evidence that any senior management or directors of the Company were implicated in the misappropriation.

Based on the investigation conducted so far, management expects the misappropriation has the effect of reducing the Group's cash and cash equivalents as of 31 December 2017 by approximately RMB77 million in total. Approximately 5.3% of the total misappropriated amounts was accounted for as a reduction in the profit for the year in the Company's consolidated statement of profit or loss for the year ended 31 December 2017 whilst the remainder of the adjustments were made to the prior years' profits because the misappropriation occurred mainly in prior years.

The impact of the misappropriation to the financial statements of the Group are set forth below:

	2017	2016	2015	2014	2013	2012 and before
Consolidated statement of profit or loss *(RMB'000)*						
(Decrease)/increase in profit attributable to owners of the parent	(3,685)	(2,174)	(1,438)	1,578	(4,833)	(58,500)
(Decrease)/increase in profit attributable to non-controlling interests	(410)	(242)	(160)	175	(536)	(6,500)
	(4,095)	(2,416)	(1,598)	1,753	(5,369)	(65,000)
Consolidated statement of financial position *(RMB'000)*						
Decrease in cash and cash equivalents	(76,725)	(72,630)	(70,214)	(68,616)	(70,369)	(65,000)
Decrease in equity attributable to owners of the parent	(69,052)	(65,367)	(63,193)	(61,755)	(63,333)	(58,500)
Consolidated statement of cash flows *(RMB'000)*						
(Decrease)/increase in cash generated from operations	(4,095)	(2,416)	(1,598)	1,753	(5,369)	(65,000)

Based on the preliminary findings of the on-going investigations, the Directors of the Company considered it appropriate to make adjustments based on the impact of the misappropriation as set forth above to the Group's consolidated financial statements for the year ended 31 December 2017 and before as follows:

The effects of the restatements on the consolidated statement of profit or loss for the year ended 31 December 2016 are as follows:

	As previously reported *RMB'000*	**Prior year adjustment** *RMB'000*	**Restated** *RMB'000*
Revenue	1,607,778	–	1,607,778
Cost of sales	(896,487)	–	(896,487)
Gross profit	711,291	–	711,291
Other income	4,248	–	4,248
Selling and distribution expenses	(166,380)	–	(166,380)
Administrative expenses	(162,977)	–	(162,977)
Other expenses	(5,842)	–	(5,842)
Finance costs	(1,327)	–	(1,327)
Loss on misappropriation of funds	–	(2,416)	(2,416)
PROFIT BEFORE TAX	379,013	(2,416)	(376,597)
Income tax expenses	(106,586)	–	(106,586)
PROFIT FOR THE YEAR	272,427	(2,416)	270,011
ATTRIBUTABLE TO:			
Owners of the parent	242,901	(2,174)	240,727
Non-controlling interests	29,526	(242)	29,284
	272,427	(2,416)	270,011
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic *(RMB)*	0.4484	(0.0040)	0.4444
Diluted *(RMB)*	0.4484	(0.0040)	0.4444

The effects of the restatements on the consolidated statement of comprehensive income for the year ended 31 December 2016 are as follows:

	As previously reported *RMB'000*	**Prior year adjustment** *RMB'000*	**Restated** *RMB'000*
Profit for the year	272,427	(2,416)	270,011
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations	7,950	–	7,950
Other comprehensive income for the year, net of tax	7,950	–	7,950
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the parent	250,851	(2,174)	248,677
Non-controlling interests	29,526	(242)	29,284
	280,377	(2,416)	277,961

The effects of the restatements on the consolidated statement of financial position at 31 December 2016 are as follows:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	Restated *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	49,149	–	49,149
Concession rights	1,596,488	–	1,596,488
Long-term prepayments, deposits and other receivables	81,127	–	81,127
Total non-current assets	1,726,764	–	1,726,764
CURRENT ASSETS			
Trade receivables	612,264	–	612,264
Prepayments, deposits and other receivables	159,064	–	159,064
Due from related parties	99,313	–	99,313
Pledged deposits and restricted cash	1,285	–	1,285
Cash and cash equivalents	514,170	(72,630)	441,540
Total current assets	1,386,096	(72,630)	1,313,466
CURRENT LIABILITIES			
Other payables and accruals	599,827	–	599,827
Deferred income	3,282	–	3,282
Tax payable	78,177	–	78,177
Total current liabilities	681,286	–	681,286
NET CURRENT ASSETS	704,810	(72,630)	632,180
TOTAL ASSETS LESS CURRENT LIABILITIES	2,431,574	(72,630)	2,358,944
NON-CURRENT LIABILITIES			
Deferred tax liabilities	76,045	–	76,045
Total non-current liabilities	76,045	–	76,045
Net assets	2,355,529	(72,630)	2,282,899
EQUITY			
Equity attributable to owner of the parent			
Share capital	56,945	–	56,945
Other reserves	2,188,469	(65,367)	2,123,102
	2,245,414	(65,367)	2,180,047
Non-controlling interests	110,115	(7,263)	102,852
Total equity	2,355,529	(72,630)	2,282,899

The effects of the restatements on the consolidated statement of cash flows for the year ended 31 December 2016 are as follows:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	Restated *RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	379,013	(2,416)	376,597
Adjustments for:			
Impairment and write-down of concession rights	3,580	–	3,580
Loss on disposal of concession rights	2,467	–	2,467
Impairment losses on trade receivables recognised	20,009	–	20,009
Gain on disposal of items of property, plant and equipment	(205)	–	(205)
Depreciation of items of property, plant and equipment	14,656	–	14,656
Recognition of prepaid lease payments	2,018	–	2,018
Amortisation of concession rights	310,163	–	310,163
Foreign exchange losses, net	1,327	–	1,327
Share award scheme expense	–	–	–
Equity-settled share option expense	3,425	–	3,425
Interest income	(4,248)	–	(4,248)
	732,205	(2,416)	729,789
Increase in long-term prepayments, deposits and other receivables	(8,782)	–	(8,782)
Increase in trade receivables	(56,573)	–	(56,573)
Increase in prepayments, deposits and other receivables	(39,435)	–	(39,435)
Increase in amounts due from related parties	(9,875)	–	(9,875)
Decrease in other payables and accruals	(15,890)	–	(15,890)
Increase in deferred income	282	–	282
Cash generated from operations	601,932	(2,416)	599,516
Income taxes paid	(105,699)	–	(105,699)
Net cash flows from operating activities	496,233	(2,416)	493,817
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	(14,837)	–	(14,837)
Proceeds from disposal of items of property, plant and equipment	206	–	206
Proceeds from disposal of concession rights	161	–	161
Purchase of concession rights	(289,949)	–	(289,949)
Interest received	4,450	–	4,450
Net cash flows used in investing activities	(299,969)	–	(299,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	(246,590)	–	(246,590)
Dividends paid to a non-controlling shareholder of a subsidiary	(19,625)	–	(19,625)
Purchase of shares held under the share award scheme	–	–	–
Net cash flows used in financing activities	(266,215)	–	(266,215)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(69,951)	–	(72,367)
Cash and cash equivalents at beginning of year	577,514	(70,214)	507,300
Effect of foreign exchange rate changes, net	6,607	–	6,607
CASH AND CASH EQUIVALENTS AT END OF YEAR	514,170	(72,630)	441,540
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	514,170	(72,630)	441,540

During the process of the Company's investigation, which is still ongoing, it was discovered that there were three bank accounts opened in the name of certain members of the Group, which were not authorised, with certain transactions recorded therein. Two of the bank accounts have been closed and the other one is still open. As of the date of this announcement, the management of the Company is not aware of any liability attaching to those accounts. The matters have also been referred to the police for investigation.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 *included in Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements.

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

3. SEGMENT INFORMATION

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

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the locations of the customers, and assets are attributed to the segments based on the locations of the assets. As the Group's major operations and markets are all located in the PRC, no further geographical segment information is provided.

4. REVENUE AND OTHER INCOME

Revenue represents the contract value of the display of advertisements on bus shelters, net of commissions and discounts, in the PRC.

An analysis of revenue and other income is as follows:

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Rental from outdoor advertising spaces	**1,695,871**	1,598,451
Sales revenue from digital panels	**10,435**	9,327
	1,706,306	1,607,778
Other income		
Interest income	**3,879**	4,248

5. PROFIT BEFORE TAX

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

	Notes	2017 *RMB'000*	2016 *RMB'000* (Restated)
Cost of services provided		**221,970**	228,681
Operating lease rentals on bus shelters		**388,130**	356,157
Cost of services in a bus shelter joint-operation arrangement*		**3,867**	1,486
Amortisation of concession rights	*10*	**328,508**	310,163
Cost of sales		**942,475**	896,487
Impairment losses on trade receivables recognised	*12*	**30,716**	20,009
Bad debts recovered		**(3,032)**	–
Auditor's remuneration		**2,592**	2,482
Depreciation of items of property, plant and equipment	*9*	**14,828**	14,656
Impairment and write-down of concession rights		**1,645**	3,580
Loss on disposal of concession rights		**53**	2,467
Gain on disposal of items of property, plant and equipment		**(38)**	(205)
Operating lease rentals on buildings		**38,705**	39,005
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**158,961**	157,057
Equity-settled share option expense		**4,460**	3,425
Share award scheme expense		**1,791**	–
Pension scheme contributions		**18,092**	18,478
		183,304	178,960
Loss on misappropriation of funds	*1.2*	**4,095**	2,416
Foreign exchange losses, net		**5,083**	1,327
Interest income		**(3,879)**	(4,248)

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

6. FINANCE COSTS

	2017 *RMB'000*	2016 *RMB'000*
Finance costs	**5,083**	1,327

7. INCOME TAX

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the year. 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.

	2017	2016
	RMB'000	*RMB'000*
Current – Hong Kong profits tax	**–**	–
Current – PRC corporate income tax	**120,748**	104,848
Deferred tax	**(2,645)**	1,738
Total tax charge for the year	**118,103**	106,586

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Profit before tax	**394,743**	376,597
Tax at the applicable statutory tax rate	**101,410**	96,223
Income not subject to tax	**(214)**	(139)
Expenses not deductible for tax	**5,035**	2,811
Tax losses not recognised	**3,610**	3,460
Effect of withholding tax on the distributable profits of the Group's PRC subsidiary	**8,262**	4,231
Tax charge at the Group's effective rate of 29.9% (2016: 28.3%)	**118,103**	106,586

According to the Enterprise Income Tax Law of the PRC effective on 1 January 2008, WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, was subject to corporate income tax at a rate of 25% (2016: 25%) for the head office and its branches on its assessable profits arising in the PRC for the year 2017.

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 for withholding taxes on dividends distributed by WHA Joint Venture, a subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, in respect of earnings generated from 1 January 2008. As at 31 December 2017, the Group recognised a deferred tax liability of RMB5,553,000 (31 December 2016: RMB7,991,000) and income tax payable of RMB5,350,000 (31 December 2016: Nil) in respect of the withholding taxes on future dividend distribution by WHA Joint Venture.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings 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 the dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**243,314**	240,727

	Number of shares	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**541,700,500**	541,700,500
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	–
	541,700,500	541,700,500

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *RMB'000*	Furniture and equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2017					
At at 1 January 2017:					
Cost	**57,333**	**17,406**	**38,973**	**–**	**113,712**
Accumulated depreciation	**(28,344)**	**(8,215)**	**(28,004)**	**–**	**(64,563)**
Net carrying amount	**28,989**	**9,191**	**10,969**	**–**	**49,149**
At 1 January 2017, net of accumulated depreciation	**28,989**	**9,191**	**10,969**	**–**	**49,149**
Additions	**875**	**1,537**	**5,065**	**7,636**	**15,113**
Disposals	**–**	**(5)**	**(29)**	**–**	**(34)**
Depreciation provided during the year	**(7,622)**	**(3,110)**	**(4,096)**	**–**	**(14,828)**
Exchange realignment	**(10)**	**–**	**–**	**–**	**(10)**
Transfers to concession rights *(note 10)*	**–**	**–**	**–**	**(7,636)**	**(7,636)**
At 31 December 2017, net of accumulated depreciation	**22,232**	**7,613**	**11,909**	**–**	**41,754**
At 31 December 2017:					
Cost	**58,130**	**17,217**	**35,428**	**–**	**110,775**
Accumulated depreciation	**(35,898)**	**(9,604)**	**(23,519)**	**–**	**(69,021)**
Net carrying amount	**22,232**	**7,613**	**11,909**	**–**	**41,754**

	Leasehold improvements *RMB'000*	Furniture and equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2016					
At 1 January 2016:					
Cost	50,152	17,036	36,731	565	104,484
Accumulated depreciation	(21,280)	(7,284)	(24,977)	–	(53,541)
Net carrying amount	28,872	9,752	11,754	565	50,943
At 1 January 2016, net of accumulated depreciation	28,872	9,752	11,754	565	50,943
Additions	7,109	2,755	3,548	16,227	29,639
Disposals	–	(1)	–	–	(1)
Depreciation provided during the year	(7,007)	(3,316)	(4,333)	–	(14,656)
Exchange realignment	15	1	–	–	16
Transfers to concession rights *(note 10)*	–	–	–	(16,792)	(16,792)
At 31 December 2016, net of accumulated depreciation	28,989	9,191	10,969	–	49,149
At 31 December 2016:					
Cost	57,333	17,406	38,973	–	113,712
Accumulated depreciation	(28,344)	(8,215)	(28,004)	–	(64,563)
Net carrying amount	28,989	9,191	10,969	–	49,149

10. CONCESSION RIGHTS

	RMB'000
31 December 2017	
Cost at 1 January 2017, net of accumulated amortisation	**1,596,488**
Additions	**383,768**
Transfer from construction in progress *(note 9)*	**7,636**
Disposals, impairment, write-off and write-down	**(1,722)**
Amortisation during the year	**(328,508)**
At 31 December 2017	**1,657,662**
At 31 December 2017:	
Cost	**4,478,634**
Accumulated amortisation	**(2,820,972)**
Net carrying amount	**1,657,662**
31 December 2016	
Cost at 1 January 2016, net of accumulated amortisation	1,556,960
Additions	339,107
Transfer from construction in progress *(note 9)*	16,792
Disposals, impairment, write-off and write-down	(6,208)
Amortisation during the year	(310,163)
At 31 December 2016	1,596,488
At 31 December 2016:	
Cost	4,189,256
Accumulated amortisation	(2,592,768)
Net carrying amount	1,596,488

Note:

All of the Group's bus shelter concession rights are granted by entities authorised by local governmental agencies in the PRC which have control over the construction and management of bus shelters. Under these concessions, the Group assumes responsibility for the construction and ongoing maintenance of the bus shelters and pays annual fixed fees to the entities authorised by local governmental agencies. In exchange, the Group has the exclusive rights to sell advertising spaces on these bus shelters during the term of the concessions.

The Group's bus shelter concession contracts have initial terms of five to twenty years. As at 31 December 2017, the weighted average remaining term of the concession rights currently held by the Group was approximately six years. In terms of renewal rights, approximately 49% of the concession rights held by the Group, based on the total number of bus shelters granted to the Group, grant the Group the priority purchase to renew the concession contracts provided that the terms offered by the Group are no less favourable than those offered by competing tenders. Some of the concession contracts also allow the Group to extend the terms of the contracts before expiry.

11. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Long-term prepayments amounting to RMB69,951,000 (31 December 2016: RMB49,552,000) have been placed with certain independent third parties in connection with the extension and renewal of certain of the Group's bus shelter concession rights in the PRC.

The balance as at 31 December 2017 also included a non-current portion of a prepaid bus shelter lease payment amounting to RMB2,520,000 (31 December 2016: RMB4,537,000) and a long-term rental deposit of RMB20,738,000 (31 December 2016: RMB20,738,000).

12. TRADE RECEIVABLES

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

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

	2017	2016
	RMB'000	*RMB'000*
Current to 90 days	**346,606**	291,219
91 days to 180 days	**298,437**	234,973
181 days to 360 days	**96,643**	88,657
Over 360 days	**45,605**	34,599
	787,291	649,448
Less: Provision for impairment of trade receivables	**(57,712)**	(37,184)
Total trade receivables, net	**729,579**	612,264

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

	2017	2016
	RMB'000	*RMB'000*
At 1 January	**37,184**	26,322
Impairment losses recognised *(note 5)*	**30,716**	20,009
Amount written off as uncollectible	**(10,188)**	(9,147)
At 31 December	**57,712**	37,184

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

12. TRADE RECEIVABLES (Continued)

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

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**645,043**	526,192
Less than 3 months past due	**71,131**	72,211
Over 3 months past due	**13,405**	13,861
	729,579	612,264

Receivables that were neither past due nor impaired relate to a diverse number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposits and other receivables for the year ended 31 December 2017 included a receivable from Hainan White Horse Advertising Co., Ltd. ("Hainan White Horse"), the non-controlling shareholder of WHA Joint Venture, amounting to RMB123,267,000 (31 December 2016: RMB99,902,000), which is unsecured, interest-free and has no fixed terms of repayment.

14. DUE FROM RELATED PARTIES

	2017	2016
	RMB'000	*RMB'000*
Hainan White Horse Media Advertising Company Limited ("WHM")	**44,429**	21,360
White Horse (Shanghai) Investment Company Limited ("WSI")	**40,915**	77,953
	85,344	99,313

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

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

	2017	2016
	RMB'000	*RMB'000*
Current to 90 days	**57,738**	76,665
91 days to 180 days	**21,099**	20,228
181 days to 360 days	**6,507**	2,420
Over 360 days	**–**	–
	85,344	99,313

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

At the end of the reporting period, the Group's cash and bank balances, pledged deposits and restricted cash denominated in Renminbi ("RMB") and in Hong Kong dollars ("HK$") amounted to RMB281,487,000 (2016: RMB362,236,000 (restated)) and RMB73,725,000 (2016: RMB80,589,000), respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

All of the Group's bank balances and pledged deposits are placed with registered banking institutions in the PRC and Hong Kong. The Group's policy is to spread bank balances (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 31 December 2017, the Group had pledged deposits of RMB16,500,000 (2016: Nil) to banks as security for bills payable of RMB30,000,000 (2016: Nil) and letter of guarantee of RMB15,000,000 (2016: Nil).

As at 31 December 2017, a bank balance of RMB1,289,000 (2016: RMB1,285,000) was frozen by one of the financial institutions which has commenced legal proceedings against the Company's subsidiary as disclosed in note 29 to the financial statements. The directors of the Company are of the view that the dispute will not have any material impact on the consolidated financial statements of the Group.

16. SHARE CAPITAL

	2017	2016
	RMB'000	*RMB'000*
Shares		
Issued and fully paid:		
541,700,500 ordinary shares (2016: 541,700,500) of HK$0.1 each (2016: HK$0.1)	**56,945**	56,945

17. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Special dividend – HK27 cents (2016: HK37 cents) per ordinary share	**127,465**	172,329
Proposed final – HK17 cents (2016: HK17 cents) per ordinary share	**73,994**	81,398
	201,459	253,727

The special dividend of RMB127,465,000 (HK27 cents per share) was approved at the special general meeting on 7 July 2017 and was paid on 31 July 2017.

At the Board meeting held on 29 March 2018, the directors proposed a final dividend of HK17 cents per share (2016: HK17 cents per share) for the year ended 31 December 2017. This final dividend, to be paid out from the retained earnings and the contributed surplus account, is equivalent to RMB73,994,000 (2016: RMB81,398,000) based on the 541,700,500 (2016: 541,700,500) outstanding shares. Subject to the approval by the shareholders at the forthcoming annual general meeting, the proposed dividend will be payable on Tuesday, 17 July 2018 to the shareholders registered on the Register of Members on Thursday, 14 June 2018.

18. SHARE OPTION SCHEMES

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 fair value of the share options granted on 31 May 2017 was HK$5,281,000 (HK$2.74 each), of which the Group recognised a share option expense of HK$1,162,000 during the year ended 31 December 2017.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant, using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield:	1.89%
Expected volatility:	34.95%
Risk-free interest rate:	1.51%
Expected life:	7 years
Exercise price per share:	HK$8.99
Share price at grant date:	HK$8.99

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

19. 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 Scheme.

On 31 May 2017, the Board of Directors resolved to grant three Awards comprising Reference Awarded Sums in aggregate of HK$9,600,000 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.

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 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 the amount of cash award to be vested is subject to the performance of the Group prior to vesting and may be reduced accordingly.

Details of the Awarded Shares granted and unvested as at 31 December 2017 are set out below:

Date of Awarded Shares granted	**Average fair value per share** *(HK$)*	**Number of Awarded Shares granted**	**Number of Awarded Shares vested**	**Number of Awarded Shares lapsed**	**Number of Awarded Shares unvested**
31 May 2017	9.07	1,058,700	–	–	1,058,700

The Group has recognised a share award scheme expense of RMB1,791,000 under the Share Award Scheme in profit or loss (2016: Nil).

20. SHARES HELD UNDER THE SHARE AWARD SCHEME

Movements of shares held under the Share Award Scheme during the period are as follows:

	2017		2016	
	RMB'000	***Number of shares***	*RMB'000*	*Number of shares*
At 1 January	**–**	**–**	–	–
Purchased during the period	**8,165**	**1,058,700**	–	–
Vested and transferred out during the period	**–**	**–**	–	–
At 31 December	**8,165**	**1,058,700**	–	–

During the year ended 31 December 2017, the trustee acquired 1,058,700 ordinary shares of the Company for the Share Award Scheme through purchase in the open market at a total cost, including related transaction costs of approximately RMB8,165,000 (equivalent to HK$9,600,000).

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor has disclaimed an opinion in its auditor's report on the Group's consolidated financial statements for the year ended 31 December 2017, an extract of which is as follows:

BASIS FOR DISCLAIMER OF OPINION

(1) Unrecorded bank receipts and payments

As disclosed in the Company's announcement dated 2 January 2018, one employee in the finance department of the Group in the PRC, being a cashier, reported and confessed to the PRC police authorities to have illegally misappropriated certain funds of the Group. The Company has established a special committee to look into this matter and engaged an independent external law firm and an independent accounting firm to conduct a forensic investigation and to assist the special committee of the Company in investigating the misappropriation (the "Investigation").

As detailed in note 2.2 and note 14 to the consolidated financial statements, management concluded that the misappropriation had the effect of reducing the Group's cash and cash equivalents and adjustments were put through by the management to reduce the cash and cash equivalents as at 31 December 2017 and 2016 and 1 January 2016 by RMB76.7 million, RMB72.6 million and RMB70.2 million, respectively. The impact on the current year's consolidated statement of profit or loss amounted to approximately RMB4.1 million and the remainder was related to prior years. Management considered it appropriate to make adjustments to the current and prior years' financial statements.

It is noted from the bank statements obtained during the current year audit that funds deposited into and withdrawn from two bank accounts of a PRC subsidiary with two banks in the PRC during the years from 2007 to 2017, totalling RMB799 million and RMB868.8 million, respectively, had not been recorded by the subsidiary in its accounting records and therefore had not been reflected in the Group's consolidated financial statements. As the Group did not maintain any records and supporting documents in connection with these unrecorded bank receipts and payments, we were unable to perform any effective audit procedures on these unrecorded bank receipts and payments. Accordingly, we were unable to ascertain the nature of these unrecorded bank receipts and payments, the appropriateness of the adjustments put through by management in connection with these unrecorded bank receipts and payments and the possible impact that these unrecorded bank receipts and payments may have on the Group's financial statements.

(2) Unrecorded bank accounts

As set out in note 2.2 and note 14 to the consolidated financial statements, during the Investigation, it was discovered that three bank accounts opened in the name of a PRC subsidiary of the Group with three banks in the PRC were not recorded by the subsidiary in its accounting records and accordingly all the transactions in these three bank accounts had not been reflected in the Group's consolidated financial statements. We noted from the bank statements that the funds deposited into and withdrawn from these three bank accounts during the years from 2006 to 2017 both amounted to RMB257.1 million. The closing balances of these bank accounts at each of the year end dates were not material. As the Group did not maintain any records and supporting documents in connection with these unrecorded bank receipts and payments, we were unable to perform any effective audit procedures on these unrecorded bank receipts and payments. Accordingly, we are unable to ascertain the nature of these unrecorded bank receipts and payments and the possible impact that these unrecorded bank receipts and payments may have on the Group's financial statements.

(3) Customer development expenses

Included in the Group's selling expenses for the year ended 31 December 2017, we noted that customer development expenses of RMB19.8 million (2016: RMB23.5 million) were paid to entities whose identities were different from the entities in the documents maintained by the Group to support these payments. Management represented to us that these payments were made to intermediaries that act as agents of the Group to pay customer development expenses to those who conducted customer development services for the Group. The Group has not maintained sufficient supporting documents to support the payments made to these intermediaries and also the subsequent payments made by these intermediaries to those who conducted customer development services for the Group. We were unable to perform sufficient effective audit procedures on these payments. Accordingly, we were unable to ascertain the nature of these payments made by the Group.

(4) Investigations

As the independent investigation and the police investigation (the "investigations") are still ongoing, we were unable to ascertain whether the investigations would reveal any further findings that would have impact on the Group's consolidated financial statements.

(5) Completeness of transactions and disclosures

We were unable to contact several key personnel of the finance department of the Group, who were either under police investigation or could not be reached. In addition, unrecorded bank receipts and payments and unrecorded bank accounts were identified in points (1) and (2) above. The situation has casted significant doubt for us to rely on management's representation for the completeness of the transactions being recorded by the Group in its accounting records.

DISCLAIMER OF OPINION

We do not express an opinion on the accompanying consolidated financial statements of the Group and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. Because of the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The economic growth in Mainland China continued to be moderate while the operating environment remained challenging and volatile in 2017. Late confirmation and last-minute cancellation of orders continued to be common. During the first quarter of 2017, the relatively early Chinese New Year and the postponement of the marketing campaigns by certain key customers posed challenges for our sales team. Sales growth resumed with improved momentum in the second quarter and this sales trend continued into the third and fourth quarters.

The demand from clients in the e-commerce and IT digital product sectors continued to grow. During 2017, the revenue contribution from the e-commerce sector increased to 29% (2016: 23%) and that from the IT digital product sector increased to 28% (2016: 26%). New customers from the e-commerce sector were added to our client base. The revenue performance from the traditional industries was mixed. The revenue contribution from business/consumer services sector increased to 5% (2016: 4%) and that from transportation industry rose to 4% (2016: 2%).

The advertisers from other traditional industries remained cautious with their marketing spend.

OPERATION OVERVIEW

Bus Shelter Advertising Business

As of 31 December 2017, Clear Media operated the most extensive standardized bus shelter advertising network in Mainland, with a total of more than 51,000 panels (end-2016: 47,000 panels) covering 24 cities. Our bus shelter advertising revenue, net of value added tax, increased by 6.1% to RMB1,706.3 million.

Yield per shelter before value added tax ("yield") increased by 6.2% and the average number of bus shelter panels remained comparable to that in 2016. The revenue growth was mainly driven by the increase in yield during the year.

Key Cities

For the year ended 31 December 2017, the revenue from the top three cities Shanghai, Guangzhou and Beijing increased by 6.7% to RMB1,103.4 million (2016: RMB1,033.7 million) driven by a 6.4% increase in the average number of bus shelter panels.

Mid-tier Cities

The revenue from all mid-tier cities increased by 5.1% to RMB694.1 million (2016: RMB660.3 million) due to a higher yield at RMB29,543 (2016: RMB26,740), despite the 4.9% decrease in the average number of bus shelter panels.

Among the mid-tier cities where the Company operates, Nanjing, Wuhan, Changsha, Zhengzhou, Wuxi, Hangzhou, Dalian and Shenzhen performed particularly well during the year with double-digit growth in revenue.

Digital

As of 31 December 2017, we operated a total of 249 digital panels in Nanjing (2016: 253). Total sales generated from the digital operation net of value added tax amounted to RMB10.4 million (2016: RMB9.3 million).

FINANCIAL REVIEW

Turnover

The Group's total turnover increased by 6.1% to RMB1,706.3 million during the year ended 31 December 2017.

Other Income

Other income decreased from RMB4.2 million in 2016 to RMB3.9 million mainly due to lower bank fixed deposits interest income.

Expenses

During the year ended 31 December 2017, the Group's total direct operating costs, including rental, electricity and maintenance costs, and sales, cultural and other levies, increased by 4.7% to RMB614.0 million (2016: RMB586.3 million).

The rental costs for our core bus shelter advertising business increased by 9.7% during the year. The increase was mainly driven by the increase in the number of bus shelter panels and higher rental rates in certain cities upon contract renewal. The increase was partially offset by higher level of reversal of certain rent provision made in the normal course of business which was subject to negotiations on an ongoing basis with the relevant authority. The reversal of such provision in 2017 was RMB13.7 million whilst such reversal was only RMB7.2 million in 2016.

Electricity costs decreased by 27.5% mainly due to the conversion of fluorescence light tubes to LED lighting structures which resulted in lower electricity consumption and the reversal of certain electricity provisions made in the normal course of business and in prior period which have been overdue for certain time period with no recourse. The impact is partially offset by the increase in the number of bus shelter panels.

Cleaning and maintenance costs increased by 3.1% mainly due to the increase in the number of bus shelter panels and a revision to the standard maintenance fee. The increase was partially offset by an adjustment to the ratio of cleaning and maintenance expenses subsidized by Hainan White Horse Advertising Co., Ltd., ("Hainan White Horse"), the non-controlling shareholder of WHA Joint Venture. This cleaning and maintenance subsidy arrangement was made and has been in effect since 2001 as part of the pre-listing re-organization exercise and is based on a certain percentage of the cleaning and maintenance cost. The ratio is negotiated on a yearly basis, with an aim to match the subsidy payable by Hainan White Horse to the cleaning and maintenance entity against the dividend attributable to this non-controlling shareholder. The cleaning and maintenance subsidy increased by 28.7% to RMB51.2 million (2016: RMB39.8 million).

Total selling, general and administrative expenses, excluding depreciation and amortization, increased by 10.4% to RMB347.3 million in 2017 (2016: RMB314.7 million) mainly due to higher provision of bad debt and salary increase.

Other expenses decreased from RMB5.8 million in prior year to RMB1.7 million in 2017 mainly due to lower impairment and write-down expenses of concession rights and lower loss on disposal of concession rights.

Loss on misappropriation of funds

The Board of Directors, through the announcements dated 2 January 2018, 8 February 2018 and 19 March 2018, informed the shareholders and potential investors that there was misappropriation of certain funds. Since the announcement dated 2 January 2018, a special committee was established to (i) vigorously pursuing all available remedies and options to recover any loss and minimise any damage caused by the misappropriation; (ii) considering the engagement of external professional parties to conduct forensic investigation on the misappropriation and (iii) reviewing the internal control system of the Group to prevent similar incidents from taking place again. The Company has put in place enhanced internal control measures on monitoring cash payments and cash balances at banks. An independent external law firm and an independent accounting firm have been engaged to conduct a forensic investigation and to assist the special committee of the Company in investigating matters arising from the misappropriation and other related matters. The misappropriation of funds has been referred to the police for investigation.

Based on the investigation conducted so far, management expects the misappropriation has the effect of reducing the Group's cash and cash equivalents as of 31 December 2017 by approximately RMB77 million in total. Approximately 5.3% of the total misappropriated amounts was accounted for as a reduction in the profit for the year in the Company's consolidated statement of profit or loss for the year ended 31 December 2017 whilst the remainder of the adjustments were made to the prior years' profits because the misappropriation occurred mainly in prior years.

The impacts of the misappropriation to the financial statements of the Group are set forth below:

	2017	2016	2015	2014	2013	2012 and before
Consolidated statement of profit or loss (RMB'000)						
(Decrease)/increase in profit attributable to owners of the parent	**(3,685)**	(2,174)	(1,438)	1,578	(4,833)	(58,500)
(Decrease)/increase in profit attributable to non-controlling interests	**(410)**	(242)	(160)	175	(536)	(6,500)
	(4,095)	(2,416)	(1,598)	1,753	(5,369)	(65,000)
Consolidated statement of financial position (RMB'000)						
Decrease in cash and cash equivalents	**(76,725)**	(72,630)	(70,214)	(68,616)	(70,369)	(65,000)
Decrease in equity attributable to owners of the parent	**(69,052)**	(65,367)	(63,193)	(61,755)	(63,333)	(58,500)
Consolidated statement of cash flows (RMB'000)						
(Decrease)/increase in cash generated from operations	**(4,095)**	(2,416)	(1,598)	1,753	(5,369)	(65,000)

Based on the preliminary findings of the on-going investigations, the Directors of the Company considered it appropriate to make adjustments based on the impacts of the misappropriation as set forth above to the Group's consolidated financial statements for the year ended 31 December 2017 and before.

During the process of the Company's investigation, which is still ongoing, it was discovered that there were three bank accounts opened in the name of certain members of the Group, which were not authorised, with certain transactions recorded therein. Two of the bank accounts have been closed and the other one is still open. As of the date of this announcement, the management of the Company is not aware of any liability attaching to those accounts. The matters have also been referred to the police for investigation.

The limitation on the auditor's scope as a consequence of the police investigation will unlikely be removed before the completion of those investigations.

ENHANCED INTERNAL CONTROL MEASURES

The Company has enhanced a number of control measures which have focused on payments, bank balances and the control of the Company's chops. The Board considers that the measures adopted and being implemented are appropriate.

As noted above, the Company has also engaged an independent external law firm and an independent accounting firm to conduct a forensic investigation. In addition, an independent accounting firm was engaged to perform incremental and substantive testing of the Company's financial statements. As a result of these assignments, a number of improvements to the system of control have been identified. In addition, the Company has formed a special committee to conduct a thorough review of the Company's financial systems and controls to develop further enhancements to those controls. This committee will report to the Audit Committee.

EBITDA

The Group's earnings before interest, tax, depreciation and amortization ("EBITDA") increased by 5.8% to RMB739.3 million (2016: RMB698.5 million (restated)) mainly due to higher turnover of the core bus shelter advertising business during the year. EBITDA margin slightly decreased to 43.3% (2016: 43.4%). The 2016 EBITDA figure was restated to include the loss on misappropriation of funds of RMB2.4 million.

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

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Profit before tax	**394,743**	376,597
Add:		
– Finance costs	**5,083**	1,327
– Depreciation of property, plant and equipment	**14,828**	14,656
– Amortization of concession rights	**328,508**	310,163
Subtotal	**348,419**	326,146
Less:		
– Interest income	**(3,879)**	(4,248)
EBITDA	**739,283**	698,495

EBIT

The Group's earnings before interest and tax ("EBIT") increased by 6.0% to RMB395.9 million for the year from RMB373.7 million (restated) in 2016 following the higher EBITDA during the year.

Finance Costs

During the year, the Group carried no debt, the increase in finance costs by RMB3.7 million to RMB5.1 million (2016: RMB1.3 million) was mainly due to increase in realized exchange losses arising from the exchange rate movement between the declaration and settlement of an inter-company dividend.

Taxation

According to the PRC Enterprise Income Tax Law effective from 1 January 2008, the WHA Joint Venture, an indirect majority-owned subsidiary of the Company established in the Hainan Special Economic Zone of the PRC, was subject to a corporate income tax of 25% (2016: 25%) on its assessable profits arising in the PRC for the year 2017.

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 for 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.

Income tax expense of the Group increased to RMB118.1 million for the year ended 31 December 2017 from RMB106.6 million in 2016. This was mainly due to the increase in assessable profits of the core bus shelter advertising business during the year and the higher withholding tax expenses during the year.

As at 31 December 2017, the Group recognized a deferred tax liability of RMB5.6 million (31 December 2016: RMB8.0 million) and income tax payable of RMB5.4 million (31 December 2016: Nil) in respect of the withholding tax on future dividend distribution by WHA Joint Venture.

Net Profit

Net profit attributable to owners of the parent slightly increased by 1.1% to RMB243.3 million (2016: RMB240.7 million (restated)) for the year ended 31 December 2017, while the net profit margin decreased to 14.3% (2016: 15.0%). Part of the decrease was attributable to the increase in amortization of concession rights to RMB328.5 million (2016: 310.2 million), the RMB5.1 million realized exchange losses recognized during the year as disclosed in the "Finance Costs" section, and higher withholding tax expenses.

Net profit attributable to non-controlling interests increased by 13.8% to RMB33.3 million (2016: RMB29.3 million (restated)).

Cash Flow

Net cash flows from operating activities increased by 16.5% to RMB575.4 million for the year ended 31 December 2017 from RMB493.8 million (restated) in the previous year. The increase was due mainly to the higher operating profit for the year and the effect of working capital changes including decrease in amounts due from the related parties, and increase in payables and accruals as compared with last year. The impact is partially offset by a higher level of increase in trade receivable balances as compared with prior year and higher income taxes paid during the year.

Net cash flows used in investing activities increased to RMB426.1 million for the year ended 31 December 2017 from RMB300.0 million in the previous year. Main bulk of the inventory expansion in 2017 relates to acquisition of shelters from third parties which required settlement within the year whilst in 2016, a higher percentage of the inventory addition was in the form of organic expansion and has longer payment terms.

Net cash flows used in financing activities decreased to RMB241.8 million for the year ended 31 December 2017 from RMB266.2 million in the previous year. This was mainly due to lower level of dividends paid to the shareholders of the Group as compared with last year, partially offset by the cash used in the purchase of shares held under the share award scheme.

Free cash flow, defined as EBITDA (before gain and losses on disposal, impairment and write down of concession rights and other assets, equity-settled share option expenses and share award scheme expenses) less cash outflow on capital expenditure, less income tax and net interest expense, decreased to RMB214.3 million for the year ended 31 December 2017 compared to RMB299.3 million in the previous year. The decrease was mainly due to higher payments of capital expenditure than the previous year partially offset by higher level of EBITDA generated during the year.

Trade Receivables

The Group's accounts receivable balance due from third parties increased by 19.2% to RMB729.6 million as at 31 December 2017 from RMB612.3 million as at 31 December 2016. The outstanding balances in the current to 90 days and 91 to 180 days category increased by RMB55.4 million and RMB63.5 million, respectively, following the higher sales in 2017. Outstanding balances in the over 360 days category increased by RMB11.0 million, mainly due to slower repayment from certain major customers. None of the accounts receivable was due from connected persons, as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Accounts receivable from WHM and WSI are disclosed separately and discussed below.

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period is generally 90 days, extending up to 180 days for major customers. The Group maintains control over its outstanding receivables. Overdue balances are reviewed regularly and processes are in place to ensure balances are collected. The accounts receivable relate to a large number of different customers.

The average accounts receivable outstanding days, on a time weighted basis, slightly decreased to 117 days for the current year from 119 days in the previous year. As at 31 December 2017, the provision for impairment of accounts receivable increased to RMB57.7 million from RMB37.2 million as at 31 December 2016 mainly due to the slower collection from certain major customers during the year. Based on the customers' past payment history and settlement subsequent to the year end, the Company's management is of the view that the provision level is adequate as of 31 December 2017. We will continue to closely monitor the accounts receivable balance and ensure the level of provision is appropriate and prudent.

Due from Related Parties

As at 31 December 2017, the amounts due from WHM and WSI decreased to RMB85.3 million from RMB99.3 million as at 31 December 2016 mainly due to a higher level of cash collection from WHM and WSI during the year. Average balance due from related parties outstanding days, on a time-weighted basis, increased to 93 days for the current year from 77 days in the previous year. We will continue to work closely with WHM and WSI to expedite collection.

Prepayments, Deposits and Other Receivables

The Group's total prepayments, deposits and other receivables as at 31 December 2017 increased to RMB182.1 million from RMB159.1 million as at 31 December 2016.

The balance as at 31 December 2017 included a receivable from Hainan White Horse, the non-controlling shareholder of the WHA Joint Venture, amounting to RMB123.3 million (31 December 2016: RMB99.9 million), which is unsecured, interest-free and has no fixed terms of repayment.

The increase in prepayments, deposits and other receivables was mainly due to the increase of the office rental prepayment and the increase of the receivable from Hainan White Horse during the year for the cleaning and maintenance expenses subsidized as disclosed in the "Expenses" section, partially offset by the decrease of bus shelter rental prepayments during the year.

Long-term Prepayments, Deposits and Other Receivables

The Group's total long-term prepayments, deposits and other receivables as at 31 December 2017 increased to RMB93.2 million from RMB81.1 million as at 31 December 2016.

The increase in long-term prepayments, deposits and other receivables was mainly due to long-term deposits amounting to RMB19.1 million placed with certain independent third parties for the rental of certain of the Group's bus shelter in the PRC, partially offset by the decline in the long term prepayments made to an independent third party for the purchase of bus shelters as the bus shelters which have been delivered and the balance has been classified as concession rights during the year.

Other Payables and Accruals

The Group's total payables and accruals as at 31 December 2017 were RMB682.1 million, compared to RMB599.8 million as at 31 December 2016. The increase was mainly due to the increase in direct costs payables, partially offset by lower capital expenditure related payables during the year. 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 31 December 2017, the Group's total assets amounted to RMB3,144.8 million, a 3.4% increase from RMB3,040.2 million (restated), as at 31 December 2016. The Group's total liabilities increased to RMB823.5 million as at 31 December 2017, from RMB757.3 million as at 31 December 2016. Net assets as at 31 December 2017 increased by 1.7% to RMB2,321.3 million from RMB2,282.9 million (restated) as at 31 December 2016. This was mainly due to the retention of the net profit earned in the year ended 31 December 2017, partially offset by the 2016 final and special dividends paid to the shareholders of the Group, the purchase of shares held under the share award scheme. Net current assets decreased from RMB632.2 million (restated) as at 31 December 2016, to RMB591.4 million as at 31 December 2017.

Share Capital and Shareholders' Equity

Total issued and fully paid share capital remained at RMB56.9 million as at 31 December 2017. Total shareholders' equity for the Group as at 31 December 2017 increased by 1.7%, to RMB2,321.3 million, from RMB2,282.9 million (restated) as at 31 December 2016. The Group's reserves as at 31 December 2017 amounted to RMB2,152.0 million, a 1.4% increase over the corresponding balance of RMB2,123.1 million (restated) as at 31 December 2016. This was mainly due to the retention of the net profit earned in the year ended 31 December 2017, partially offset by the 2016 final and special dividends paid to the shareholders of the Group and the purchase of shares held under the share award scheme.

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 announcement, the Group has not experienced any difficulties in obtaining government approval for its necessary foreign exchange purchases. During the year under review, the Group did not issue any financial instruments for hedging purposes.

Liquidity, Financial Resources, Borrowing and Gearing

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

As of 31 December 2017, the Group's total cash and cash equivalents amounted to RMB337.4 million (RMB441.5 million (restated) as at 31 December 2016). The Group had no short term or long-term debt outstanding as at 31 December 2017 (31 December 2016: 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 and expand our bus shelter network, and explore investment opportunities in complementary out-of-home platform with the aim to increase return to shareholders.

Capital Expenditure

For the year ended 31 December 2017, the Group invested RMB391.4 million in the construction of bus shelters and acquisition of concession rights, and RMB7.5 million on fixed assets, compared to RMB355.3 million and RMB13.4 million, respectively, in 2016.

Material Acquisitions and Disposals

There were no other material acquisitions or disposals of any subsidiaries, associates or joint ventures of the Group during the year.

Employment, Training and Development

As at 31 December 2017, the Group had a total of 598 employees. Total wages and salaries increased by 1.2% year-on-year mainly due to salary increments.

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

Charges on Group Assets

As at 31 December 2017, the Group had pledged deposits of RMB16.5 million (31 December 2016: Nil) to banks as security for bills payable of RMB30.0 million and letter of guarantee of RMB15.0 million (31 December 2016: Nil).

As at 31 December 2017, a bank balance of RMB1.3 million (31 December 2016: RMB1.3 million) was frozen in respect of a legal claim discussed in the "Contingent Liabilities" paragraph below.

Capital Commitments

As at 31 December 2017, the Group had capital commitments contracted but not provided for in relation to the construction of bus shelters amounting to RMB6.6 million (31 December 2016: RMB0.1 million).

Contingent Liabilities

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

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 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 account under other payables and accruals, between the Supplier and the Group.

FINANCIAL KEY PERFORMANCE INDICATOR

EBITDA as the financial key performance indicator

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

Environmental Policies and Compliance

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

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

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

The energy consumed by bus shelter panel accounts for almost 95% of the Group's energy consumption. In order to reduce electrical consumption for bus shelter panel while preserving illumination for public safety, we have gradually reduced the number of fluorescent tubes usage and increased the use of LED lighting structures. The LED lighting structures offer energy savings of more than 50% compared to the use of fluorescent tube. In addition to using LED lighting structures on all new shelters built in 2017, we have also converted about 3% of our existing bus shelter panels to LED lighting structures during the year. As of 31 December 2017, about 74% (2016: 66%) of our total bus shelter panels are with LED lighting structures and we plan to gradually increase the ratio in the next few years.

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

KEY RELATIONSHIPS

Relationships with Vendors

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

Relationships with Employees

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

Relationships with Customers

Our sales team interact closely with advertising clients' marketing personnel and their advertising agents. In addition, our sales team identify new advertising clients every year. During the year, the total number of advertising clients decreased to 636 from 776 in 2016.

OUTLOOK

Management is cautiously optimistic about the overall operating environment in 2018. The revenue performance from the new economy industries is expected to perform relatively well.

We expect to maintain our capital expenditure budget for 2018 at a similar scale to 2017 as we continue to identify acquisition opportunities in major cities and new cities to extend the breadth and depth of the reach of our networks. Such capital expenditure is expected to be funded from the cash on the balance sheet and the Company's future operating cash flows.

As previously announced, the day to day operations of the Group have not been affected by the Misappropriation incident. However, as the Company's investigation and the police investigation is still on going, it is uncertain if and to what extent this will impact on the financial performance and business operation. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

SUPPLEMENTARY INFORMATION

Purchase, Sale or Redemption of Shares

The Group has not redeemed any of its listed shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year.

Corporate Governance

The Group is committed to achieving high standards of corporate governance which we believe are crucial to the development of the Group and to the safeguarding of the interests of our shareholders.

The Audit Committee comprises four non-executive Directors, three of whom are independent. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed the year end closing and internal audit process, internal control and financial reporting matters for the year ended 31 December 2017 with management, the internal auditor and the external auditor. The Audit Committee has also reviewed the annual results for the year ended 31 December 2017.

The Company has adopted the terms of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

During the period from 1 January 2017 to 31 December 2017, the Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

In the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules during the year ended 31 December 2017. Upon specific enquiry with all Directors, the Board is not aware of any non-compliance with the Model Code throughout the fiscal year ended 31 December 2017.

BOOK CLOSURE FOR ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The Register of Members of the Company will be closed from Tuesday, 12 June 2018 to Thursday, 14 June 2018 both days inclusive, during which period no share transfers can be registered. In order to qualify for the abovementioned final dividend (which are subject to approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Tuesday, 29 May 2018), all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 11 June 2018.

By Order of the Board
Clear Media Limited
Joseph Tcheng
Chairman

Hong Kong, 29 March 2018

This announcement can also be accessed through our internet site at www.clear-media.net, www.irasia.com/listco/hk/clearmedia and the designated issuer website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The 2017 annual report of the Company containing financial statements and notes to the financial statements will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr. Joseph Tcheng
Mr. Han Zi Jing
Mr. Zhang Huai Jun

Non-executive Directors:
Mr. William Eccleshare
Mr. Peter Cosgrove
Mr. Zhu Jia
Mr. Cormac O'Shea

Independent Non-executive Directors:
Mr. Wang Shou Zhi
Ms. Leonie Ki Man Fung
Mr. Thomas Manning
Mr. Robert Gazzi

Alternate Directors:
Mr. Zou Nan Feng
(Alternate to Mr. Zhang Huai Jun)