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CLEAR MEDIA LIMITED

白馬戶外媒體有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 100)



TRADING AND BUSINESS UPDATE AND PROFIT WARNING

This announcement is made by Clear Media Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Group’s unaudited revenue for the year ended 31 December 2019 was RMB1,445.9 million, which was a 19.8% decline compared with that of the corresponding period in 2018 (FY 2018: RMB1,803.7 million). Further, after taking into account the increase in costs and expenses, and the adoption of Hong Kong Financial Reporting Standard – HKFRS 16 leases, the Group expects to report a net loss attributable to the owners of the parent for the year ended 31 December 2019 (compared with a net profit attributable to the owners of the parent of approximately RMB220.8 million for the year ended 31 December 2018).

The outbreak of the novel coronavirus in 2020 could further slow China’s economic growth, negatively impact customers’ advertising spend and reduce demand for advertising space. Therefore, we expect the overall outdoor advertising market may be more challenging in the coming year. The Group is continuing to execute its strategy to broaden its customer base, lessen its dependence on large customers from the e-commerce and IT industries and implement a more flexible pricing policy to attract customers. In addition, cost savings initiatives will be intensified in view of the challenging trading conditions. The Group is also further controlling and reducing capital expenditure to maintain capital liquidity.

As at 31 December 2019, the Group’s total cash and cash equivalents amounted to RMB267.0 million (31 December 2018: RMB473.5 million).

The information contained in this announcement is based on the Group’s unaudited management accounts for the full year of 2019 and a preliminary assessment of the Group’s internal management information currently available. Such information has neither been reviewed nor audited by the Company’s auditors or reviewed by the audit committee of the board of directors of the Company, and may be subject to further adjustment based on further updated information.

* For identification purposes only

Following the Company's publication of the announcement dated 29 November 2019 (the "**3.7 Announcement**"), the Company is required to comply with the relevant requirements under the Code on Takeovers and Mergers (the "**Takeovers Code**"). The above information contained in this announcement (the "**Financial Information**") constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company's financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made so that the shareholders of the Company have the Financial Information before the Company's controlling shareholder, Clear Channel Outdoor Holdings, Inc. ("**CCOH**"), a company listed on the New York Stock Exchange, releases its fourth quarter and full year of 2019 results which contain the same Financial Information and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Shareholders and potential investors should note that the Financial Information does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution when placing reliance on the Financial Information in assessing the merits and demerits of the Potential Transaction (as defined in the 3.7 Announcement) (if the Potential Transaction eventually materialises) and dealing in the securities of the Company.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the reports from the Company's auditors and financial advisers on the Financial Information are required to be included in the next document to be sent to the Shareholders by the Company in connection with the Potential Transaction, which is expected to be the composite offer and response document from the Company in respect of the Potential Transaction (the "**Shareholders' Document**"), if the Potential Transaction eventually materialises. As reported in the Company's announcement of 24 February 2020 and as at the date of this announcement, no decision has been made by CCOH with respect to its strategic review of its stake and no definitive agreement has been entered into with any party to implement the Potential Transaction.

It is expected that the Company's annual results announcement for the year ended 31 December 2019 (the "**Annual Results Announcement**") will be published in March 2020. In the event that the Annual Results Announcement is published prior to the despatch of the Shareholders' Document, the requirement under Rule 10 of the Takeovers Code to report on the Financial Information contained in this announcement will be superseded by the publication of the Annual Results Announcement. Otherwise, the Financial Information contained in this announcement shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Shareholders' Document to be sent to the Shareholders.

Shareholders and potential investors should be aware that there is no assurance that the Potential Transaction will proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board of
Clear Media Limited
Jeffrey Yip
Company Secretary

Hong Kong, 27 February 2020

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

Independent Non-executive Directors:

Mr. Robert Gazzi
Mr. Wang Shou Zhi
Mr. Thomas Manning
Mr. Christopher Thomas

Non-executive Directors:

Mr. William Eccleshare
Mr. Peter Cosgrove
Mr. Zhu Jia
Mr. Michael Saunter

Alternate Directors:

Mr. Zou Nan Feng
(alternate to Mr. Zhang Huai Jun)
Mr. Adam Tow
(alternate to Mr. William Eccleshare)

The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.