CHINA OUTDOOR MEDIA GROUP LIMITED
中國戶外媒體集團有限公司
(Formerly known as eCyberChina Holdings Limited)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 254)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

RESULTS

The Board of Directors (the "Board") of China Outdoor Media Group Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (herein collectively referred to as the "Group") for the year ended 30 June 2008 together with the comparative figures of 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Turnover	*5*	**15,811**	11,224
Direct costs		**(7,480)**	(9,549)
Gross profit		**8,331**	1,675
Other revenue and net income	*5*	**6,216**	4,143
Fair value gain on investment property		**7,289**	–
Reversal of write-down of properties held for sale		**–**	414
Administrative and other operating expenses		**(69,796)**	(11,947)
Loss from operations		**(47,960)**	(5,715)
Finance costs	*6*	**(1,691)**	(5,057)
Loss before tax	*7*	**(49,651)**	(10,772)
Income tax	*8*	**(5,445)**	(1,097)
LOSS FOR THE YEAR		**(55,096)**	(11,869)
Loss attributable to equity holders of the Company		**(55,096)**	(11,869)
		HK cents	*HK cents* (as restated)
Loss per share:			
Basic	*10*	**(8)**	(40)
Diluted	*10*	**N/A**	N/A

CONSOLIDATED BALANCE SHEET
As at 30 June 2008

	Note	**2008** *HK$'000*	2007 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**14,190**	222
Investment property	*11*	**73,345**	–
Goodwill		**22,923**	–
Deposit paid for purchase of investment property		**–**	13,371
		110,458	13,593
CURRENT ASSETS			
Properties held for sale		**5,278**	9,586
Trade and other receivables		**27,914**	3,032
Cash and bank deposits		**7,087**	4,195
		40,279	16,813
CURRENT LIABILITIES			
Trade and other payables		**41,926**	4,563
Borrowings		**1,523**	17,057
Tax payable		**1,314**	–
		(44,763)	(21,620)
NET CURRENT LIABILITIES		**(4,484)**	(4,807)
TOTAL ASSETS LESS CURRENT LIABILITIES		**105,974**	8,786
NON-CURRENT LIABILITIES			
Borrowings		**–**	13,371
Deferred tax		**1,822**	–
		(1,822)	(13,371)
NET ASSETS/(LIABILITIES)		**104,152**	(4,585)
CAPITAL AND RESERVES			
Share capital		**10,493**	573,500
Reserves		**93,659**	(578,085)
EQUITY/(DEFICIT)		**104,152**	(4,585)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which include collectively all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The financial statements have been prepared using the historical cost convention, except for investment property and certain financial instruments which are measured at fair value, on a going concern basis.

2. CHANGE OF COMPANY NAME

At an extraordinary general meeting of shareholders of the Company held on 18 June 2008, a special resolution was passed to change the name of the Company from eCyberChina Holdings Limited to China Outdoor Media Group Limited and adopt the new Chinese name "中國戶外媒體集團有限公司" to replace "光訊控股集團有限公司". The change of name of the Company took effect on 4 July 2008.

3. APPLICATION OF NEW AND/OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted the following new and/or revised standard, amendment and interpretations (the "new HKFRSs") issued by the HKICPA which are effective for annual reporting periods beginning on 1 July 2007. The initial application of the new HKFRSs, which are relevant to the Group's operations, has no significant effect on the Group's accounting policies and the amounts reported for the current and prior years in these financial statements.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The Group has not early applied the following new and/or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors are in the process of making an assessment of the expected impact of these new and/or revised standards, amendments and interpretations upon initial application but is not yet in a position to state whether the application of these new and/or revised standards, amendments or interpretations would have a material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements(4)
HKAS 23 (Revised)	Borrowing Costs(4)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements(5)
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations arising on Liquidation(4)
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations(4)
HKFRS 3 (Revised)	Business Combinations(5)
HKFRS 8	Operating Segments(4)
HK(IFRIC)-Int 12	Service Concession Arrangements(1)
HK(IFRIC)-Int 13	Customer Loyalty Programmes(2)
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction(1)
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate(4)
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation(3)

(1) Effective for annual periods beginning on or after 1 January 2008
(2) Effective for annual periods beginning on or after 1 July 2008
(3) Effective for annual periods beginning on or after 1 October 2008
(4) Effective for annual periods beginning on or after 1 January 2009
(5) Effective for annual periods beginning on or after 1 July 2009

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

The following operations are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments.

Year ended 30 June 2008
Income statement

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Total *HK$'000*
Revenue	**10,117**	**5,694**	**15,811**
Segment results	**6,344**	**5,120**	**11,464**
Unallocated corporate income			**8,213**
Unallocated corporate expenses			**(67,637)**
Finance costs			**(1,691)**
Loss before tax			**(49,651)**
Income tax			**(5,445)**
Loss for the year			**(55,096)**

Other information

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Others *HK$'000*	Total *HK$'000*
Capital expenditure	**65,008**	**22,923**	**512**	**88,443**
Depreciation	**7**	**–**	**174**	**181**

As at 30 June 2008
Balance sheet

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Total *HK$'000*
Assets:			
Segment assets	**93,834**	**28,049**	**121,883**
Unallocated corporate assets			**28,854**
Total assets			**150,737**
Liabilities:			
Segment liabilities	**41,025**	**22**	**41,047**
Unallocated corporate liabilities			**5,538**
Total liabilities			**46,585**

Year ended 30 June 2007
Income statement

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Total *HK$'000*
Revenue	11,224	–	11,224
Segment results	2,031	–	2,031
Unallocated corporate income			3,187
Unallocated corporate expenses			(10,933)
Finance costs			(5,057)
Loss before tax			(10,772)
Income tax			(1,097)
Loss for the year			(11,869)

Other information

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Others *HK$'000*	Total *HK$'000*
Capital expenditure	–	–	1	1
Depreciation	–	–	97	97

As at 30 June 2007
Balance sheet

	Property investment *HK$'000*	Media management and consultancy services *HK$'000*	Total *HK$'000*
Assets:			
Segment assets	27,106	–	27,106
Unallocated corporate assets			3,300
Total assets			30,406
Liabilities:			
Segment liabilities	13,581	–	13,581
Unallocated corporate liabilities			21,410
Total liabilities			34,991

(b) Geographical segments

The Group's operations are located in Hong Kong and elsewhere in the People's Republic of China ("PRC"). The property investment and the provision of media management and consultancy services are carried out in the PRC.

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services.

	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**–**	–
PRC, other than Hong Kong	**15,811**	11,224
	15,811	11,224

The following is an analysis of the carrying amount of segment assets and capital expenditure analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		**Capital expenditure**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**28,185**	7,037	**512**	1
PRC, other than Hong Kong	**122,552**	23,369	**87,931**	–
	150,737	30,406	**88,443**	1

5. REVENUE

(a) An analysis of the Group's turnover for the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Sales of properties	**5,582**	10,099
Property rental income	**4,535**	1,125
Media management and consultancy service income	**5,694**	–
	15,811	11,224

(b) An analysis of the Group's other revenue and net income for the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Accruals written back	**63**	1,558
Bank interest income	**517**	63
Dividend income	**–**	1
Forfeited rental payments	**1,039**	–
Gain on disposal of property, plant and equipment	**54**	90
Guaranteed income related to investment property	**4,249**	–
Net investment gain from dealing in financial instruments	**–**	62
Net investment gain from dealing in foreign currencies	**–**	1
Other interest income	**293**	1,438
Sundry income	**1**	930
	6,216	4,143

6. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on other loans and advances	**1,672**	5,048
Interest and charges on bank loans and advances	**19**	8
Interest on finance leases	**–**	1
	1,691	5,057

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	2008	2007
	HK$'000	*HK$'000*
Properties held for sale recognised as expenses/(income):		
Carrying amount of properties sold	**4,308**	9,549
Reversal of write-down of properties	**–**	(414)
Staff costs, including directors' remuneration:		
Salaries and other benefits	**5,043**	1,240
Equity-settled share-based payments	**5,067**	–
Retirement scheme contributions	**66**	30
	10,176	1,270
Auditors' remuneration	**330**	440
Depreciation	**181**	97
Net investment loss from dealing in financial instruments	**–**	1,281
Operating lease charges for land and buildings	**1,305**	395

8. INCOME TAX

	2008	2007
	HK$'000	*HK$'000*
Current tax:		
Hong Kong profits tax	**2,025**	–
PRC enterprise income tax and land appreciation tax	**1,598**	1,097
	3,623	1,097
Deferred tax	**1,822**	–
Income tax expense for the year	**5,445**	1,097

Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

PRC enterprise income tax is calculated basing on a statutory rate of 25% of the taxable income from operations of the Company's subsidiaries carried on in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC during the year.

PRC land appreciation tax is levied, in accordance with the land appreciation tax law of the PRC, on the properties held by the Group for sale in the PRC and is charged at progressive rates ranged from 30% to 60% on the appreciated amount.

9. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 30 June 2008 (2007: Nil).

10. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to equity holders of the Company of approximately HK$55,096,000 (2007: HK$11,869,000) and the weighted average number of 719,241,000 (2007: restated at 28,675,000 which has been adjusted to reflect the consolidation of 100 shares into 1 share effected on 4 October 2007) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 June 2008 and 30 June 2007 have not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the years and is regarded as anti-dilutive.

11. INVESTMENT PROPERTY

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Fair value of investment property	**73,345**	–
At beginning of the year	**–**	–
Addition, at cost	**64,621**	–
Exchange adjustments	**1,435**	–
Increase in fair value	**7,289**	–
At end of the year	**73,345**	–

The Group's investment property comprised medium-term leasehold land and buildings in the PRC.

The investment property was acquired at a consideration of RMB58,000,000 pursuant to a sale and purchase agreement which was signed by a subsidiary of the Company on 5 March 2007 with a company incorporated in the PRC (the "Vendor") and was approved by shareholders of the Company at an extraordinary general meeting held on 29 June 2007. The Group had paid RMB13,000,000 as deposit to the Vendor during the year ended 30 June 2007 for the acquisition and took possession of the investment property on 1 July 2007. The Vendor provided an irrecoverable guarantee that the annual rental income from the investment property shall not be less than RMB9,000,000 and the net profit shall not be less than RMB4,000,000 up to 27 February 2010. The Vendor will transfer the legal title of the investment property to the Group until the consideration is fully settled; 40% of the shares of the Vendor has been registered under the name of a subsidiary of the Company for security purpose.

The cost of the investment property is determined as the purchase consideration of RMB58,000,000 and expressed in Hong Kong dollars, using the published market exchange rate at the date of acquisition of the investment property, at approximately HK$64,621,000 of which approximately HK$13,371,000 is recognised from deposit paid and approximately HK$51,250,000 is recognised as balance of purchase consideration payable at a terms of 2 years. During the year ended 30 June 2008, a sum of RMB25,410,000 (approximately HK$28,939,000) was paid as part settlement of the balance of the purchase consideration. The remaining balance of RMB19,590,000 (approximately HK$22,311,000) will be paid by 30 June 2009.

The fair value of the investment property as at 30 June 2008 was determined according to a valuation conducted by an independent valuer, RHL Appraisal Limited, on an open market basis.

On 1 January 2008, the tenants vacated the investment property at the request of the Vendor, which was appointed by the Group to manage the affairs of the investment property, for the purpose of undertaking a construction plan to build an additional floor on the investment property (the "Construction") as a lease agreement (the "New Lease Agreement") had been signed by the Vendor, for the benefit of the Group, to lease the investment property to a single tenant (the "New Tenant") for a term starting on 1 July 2008 and ending on 31 December 2027. As the Construction could not be completed by 30 June 2008, the New Tenant has to occupy the investment property at a later date when the Construction is completed. According to the New Lease Agreement, the New Tenant is entitled to receive RMB10,000 per day for the first 2 months arising from delay in delivery of the investment property caused by the Vendor; thereafter the New Tenant has the right to revoke the New Lease Agreement or to enjoy additional rent-free period of 2 days for each day of delay. At the date of approval of these financial statements, the Construction is not yet completed and the Vendor is negotiating with the New Tenant to fix the terms in respect of the delay in delivery of the investment property.

The Group had pledged the investment property to secure certain loans granted to the Group from other parties. Those loans were subject to interest charge of 8% per annum and had been fully settled during the year ended 30 June 2008.

The income from the investment property and the direct operating expenses relating to the investment property for the year are as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Income:		
Rental income under operating leases	**4,106**	–
Guaranteed income from the Vendor	**4,249**	–
	8,355	–
Direct operating expenses:		
Management fees charged by the Vendor	**1,171**	–
Reimbursement of expenses, including salaries and wages, electricity, gas and water charges, land use tax, real estate tax, etc., charged by the Vendor	**2,345**	–

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Acquisitions

On 5 March 2007, the Company's wholly owned subsidiary, First Union Limited ("FUL") entered into an agreement with the Vendor for purchasing a shopping arcade in Huhehaote, Inner Mongolia, the People's Republic of China (the "PRC") at a consideration of RMB58.0 million. The Vendor has guaranteed FUL an annual rental income and net profit of the property not to be less than RMB9.0 million and RMB4.0 million respectively up to 27 February 2010. The transaction was completed on 30 June 2007, the Group commenced to enjoy the rental income generated from this shopping arcade from 1 July 2007.

On 12 December 2007, the Group entered into an agreement for the acquisition of the entire equity interest in Fadara Limited ("Fadara"). The principal activities of Fadara are engaged in provision of media management and consultancy services to advertising agencies in the PRC. This transaction has been approved by shareholders at an Extraordinary General Meeting held on 21 January 2008 and completed on 28 January 2008. Further details of the transaction were set out in the Company's Circular dated 4 January 2008.

On 3 April 2008 (as supplemented on 14 April 2008), the Group entered into an agreement for the acquisition of the entire equity interest in L&L Partners' Limited ("L&L Partners'") at a total consideration of HK$240.0 million. The transaction has been approved by shareholders at an Extraordinary General Meeting held on 18 June 2008 and completed on 25 September 2008. Further details of the transaction were set out in the Company's Circular dated 23 May 2008 and announcement dated 25 September 2008.

Business and Financial Review

For the year ended 30 June 2008, the Group's total turnover amounted to HK$15.8 million, representing an increase of 40.9% compared with that of in 2007. The total revenue for the year was contributed from property investment and provision of media management and consultancy services. The increase in turnover during the year was mainly attributable to the contributions from Fadara acquired in January 2008.

For the year ended 30 June 2008, loss attributable to equity holders of the Company was approximately HK$55.1 million (2007: HK$11.9 million). The increase in loss was attributable to the recognition of share option expenses of approximately HK$21.4 million (2007: Nil) in respect of 88,812,700 share options granted during the year and extraordinary expenses incurred in the year for the successful resumption of trading of the Company's shares on the Stock Exchange of Hong Kong of approximately HK$20.4 million. Loss per share for the year was HK8 cents (2007 (as restated): HK40 cents).

The board of directors does not recommend the payment of any dividend for the year ended 30 June 2008 (2007: Nil).

The performance of the property investment segment and provision of media management and consultancy services segment during the year is set out below:

During the year, property investment segment remained as the core business of the Group. The total turnover of property investment segment amounted to approximately HK$10.1 million, representing a decrease of 9.9% compared with that of in 2007. It comprised sales of properties amounted to approximately HK$5.6 million (2007: HK$10.1 million) and rental income amounted to approximately HK$4.5 million (2007: HK$1.1 million). The decrease in turnover in sales of properties by approximately 44.7% as compared with last year was mainly attributable to three properties were sold in last year whereas one property was sold in the year. Gross profit of the sales of properties for the year was approximately HK$1.0 million. The substantial increase in turnover in rental income by approximately 303.1% as compared with last year was mainly attributable to the acquisition of a shopping arcade in Inner Mongolia (the "shopping arcade"). Gross profit from leasing of properties for the year was approximately HK$2.2 million. The shopping arcade is now being renovated and re-constructed the floor area (the "Construction") to satisfy the requirements of a new tenant, 北京居然之家投資控股集團有限公司. At the date of approval of these financial statements, the Construction is not yet completed.

The Group completed the acquisition of Fadara in January 2008. The media management and consultancy services income received/receivable for the year ended 30 June 2008 was approximately HK$5.7 million. The directors believe that the growth in the PRC economy, the demand of advertisement will continue to keep growth. Taking into consideration the prospect of the PRC advertising and marketing business in future, the directors believe that the acquisition of Fadara will allow the Group to have steady additional income in the coming years.

Prospects

In order to broaden the earnings base, the management will actively explore potential investment opportunities in the PRC and Hong Kong that can benefit the Group in the long term. The Group will also place emphasis on the improvement of operational efficiency and cost control in order to improve its financial performance and position.

Major Event Subsequent to the Year

On 25 September 2008, the Group completed the acquision of the entire issued share capital of L&L Partners', a company incorporated in the British Virgin Islands, who holds the entire issued share capital of Shanghai Winmedia Advertising Media Company Limited ("Shanghai Winmedia"), an enterprise established in the PRC. L&L Partners' and Shanghai Winmedia are engaged in the provision of outdoor media advertising services.

Liquidity, Financial Resources and Capital Structure

On 18 May 2007, the Company announced, amongst other things, that it proposed to (i) consolidate every 100 issued and unissued shares of HK$0.2 each into one consolidated share of HK$20 each in the capital of the Company; (ii) cancel capital paid up to the extent of HK$19.99 per consolidated share in issue and to reduce the nominal value of all consolidated shares to HK$0.01 per share; and (iii) increase the authorized share capital, after reduction, from HK$0.4 million to HK$200.0 million by the creation of 19,960,000,000 new shares of HK$0.01 each. A special resolution was passed by shareholders of the Company at an extraordinary general meeting held on 25 June 2007 to approve the capital reorganization which was then sanctioned by the court on 31 July 2007.

On 5 October 2007 and 23 November 2007, 860,250,000 and 44,000,000 new shares of HK$0.01 each were issued at a price of HK$0.12 per share under an open offer and an arranger agreement respectively from which a total fund of approximately HK$100.0 million was raised to strengthen the Company's financial position for future potential investments.

On 28 January 2008, the Company issued 36,360,000 new shares of HK$0.01 each were issued at a price of HK$0.63 per share as settlement of the consideration for the acquisition of the entire issued share capital of Fadara.

On 3 April 2008, the Company entered into a placing agreement for the placing of 80,000,000 ordinary shares of the Company to independent placees at an issue price of HK$0.2 per share. The net proceeds of approximately HK$15.7 million are used as general working capital of the Group.

As at 30 June 2008, the Group has net current liabilities of approximately HK$4.5 million (2007: HK$4.8 million) and equity attributable to equity holders of the Company of approximately HK$104.2 million (2007: deficit attributable to equity holders of the Company of approximately HK$4.6 million). The significant increase in equity attributable to equity holders of the Company as compared with last year was mainly attributable to funding of approximately HK$139.7 million generated from the issue of new shares throughout the year, partially applied to the net loss of HK$55.1 million incurred during the year. Bank and cash balances amounted to approximately HK$7.1 million as at 30 June 2008 (2007: HK$4.2 million).

As at 30 June 2008, the Group had short-term borrowings of approximately HK$1.5 million (2007: HK$17.1 million) and no long-term borrowings (2007: HK$13.4 million). The loans were subject to interests at prevailing commercial lending rate. The gearing ratio of the Group as at 30 June 2008, which was computed on the basis of the aggregate borrowings divided by the amount of total assets, was 1.0% (2007: 100.0%).

As the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

Charge on Assets

As at 30 June 2007, the Group had pledged the shares of one subsidiary and the interest of an investment property to be acquired for the purpose of obtaining an interest bearing loan. During the year, the aforesaid loan had been fully settled and the security had been released. As at 30 June 2008, there was no charge on the Group's assets.

Contingent Liabilities

As at 30 June 2008, the Group had contingent liabilities as follows:

(a) possible claims arising from guarantee related to a former related company of approximately HK$5.0 million (2007: HK$5.0 million); and

(b) possible claims arising from indemnity related to a former subsidiary of approximately HK$7.0 million which was equivalent to RMB6.1 million (2007: HK$5.8 million which was equivalent to RMB6.1 million).

Employee and Remuneration Policy

The Group has 18 employees (including directors) as at 30 June 2008 (2007: 13). The Group recruits and promotes individuals based on their performance and development potential in the positions held. Remuneration package is determined with reference to an employee's performance and the prevailing salary scale in the market. In addition, the Group adopts a share option scheme for eligible employees (including directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

Compliance with the code on Corporate Governance Practices

The Company has always recognised the importance of the shareholders' transparency and accountability. It is the belief of the board that shareholders can maximize their benefits from good corporate governance.

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 30 June 2008, except for the deviation from provisions A.4.1 of the Code.

Pursuant to A.4.1 of the Code, independent non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years. Under the period of review, all independent non-executive directors of the Company were not appointed for a specific term but they are subject to retirement by rotation and re-election at annual general meetings of the Company in line with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the Code.

Mode Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company. All the directors of the board have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 30 June 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the year ended 30 June 2008.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 30 June 2008 have been reviewed by the audit committee.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the year ended 30 June 2008 is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.comg.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By order of the Board
China Outdoor Media Group Limited
Lau Chi Yuen, Joseph
Director

Hong Kong, 24 October 2008

As at the date of this announcement, the Executive Directors of the Company are Mr. Lau Chi Yuen, Joseph, Mr. Lu Liang, Mr. Ng Yan and Mr. Chan Sing Fai, and the Independent Non-executive Directors of the Company are Mr. Law Tai Yan, Mr. Cheng Sheung Hing and Mr. Cheng Kwong Choi, Alexander.

The Directors jointly and severally accept full responsibility for the 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.