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**Ever Harmonic Global Limited**

*(incorporated in Cayman Islands with limited liability)*

**CLEAR MEDIA LIMITED**

**白馬戶外媒體有限公司** \*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 100)**

**JOINT ANNOUNCEMENT**

- (1) VOLUNTARY CONDITIONAL CASH OFFER BY  
CLSA LIMITED AND CHINA INTERNATIONAL CAPITAL  
CORPORATION HONG KONG SECURITIES LIMITED  
FOR AND ON BEHALF OF  
EVER HARMONIC GLOBAL LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES AND TO CANCEL ALL  
OUTSTANDING SHARE OPTIONS OF  
CLEAR MEDIA LIMITED;  
(2) CONTINUING CONNECTED TRANSACTION – INVESTIGATION  
AND LITIGATION SUPPORT AGREEMENT; AND  
(3) RESUMPTION OF TRADING**

**Lead Financial Adviser to the Offeror**

**Joint Financial Adviser to the Offeror**



## **INTRODUCTION**

The Offeror and the Company jointly announce that CLSA Limited and CICC will, for and on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the Shares in the entire issued share capital of the Company, and to cancel all outstanding Options in compliance with Rule 13.5 of the Takeovers Code.

As at the date of this joint announcement, there are 541,700,500 Shares in issue. Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, is the owner of 6,600,000 Shares, representing approximately 1.22% of the issued share capital of the Company.

Save for the 6,600,000 Shares, the Offeror and parties acting in concert with it are not interested in any other Shares as at the date of this joint announcement. Save for the aforesaid and the 5,283,000 Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) outstanding as at the date of this joint announcement.

## **THE OFFERS**

### **The Share Offer**

CLSA Limited and CICC will make the Share Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

**For each Offer Share. . . . . HK\$7.12 in cash**

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offers are made (i.e. the date of the despatch of the Composite Document).

The Share Offer Price of HK\$7.12 per Offer Share represents a premium of approximately 50.21% to the closing price of HK\$4.74 per Share as quoted on the Stock Exchange on November 29, 2019, the last trading day prior to the publication of the Rule 3.7 Announcement.

**The Offeror will not increase the Share Offer Price for the Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.**

## **The Option Offer**

CLSA Limited and CICC will make the Option Offer for and on behalf of the Offeror to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Options in exchange of cash on the following basis:

**For cancellation of each of the outstanding Options . . . . .HK\$0.00001 in cash**

As at the date of this joint announcement, there are 5,283,000 outstanding Options granted under the Existing Share Option Scheme, carrying rights to subscribe for 5,283,000 new Shares. 3,800,000 of the outstanding Options have an exercise price of HK\$9.54 per Share, and the remaining 1,483,000 outstanding Options have an exercise price of HK\$8.99 per Share.

As at the date of this joint announcement, Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, holds the Options to subscribe for 1,333,000 new Shares, of which 1,000,000 Options have an exercise price of HK\$9.54 per Share and 333,000 Options have an exercise price of HK\$8.99 per Share.

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for cancellation of all the outstanding Options. The price for the cancellation of each Option accepted under the Option Offer should normally be the see-through price which represents the excess of the Share Offer Price over the exercise price of each Option. As the Share Offer Price, which is HK\$7.12 per Offer Share, is lower than the exercise prices of all outstanding Options as set out above, all outstanding Options are currently out-of-money. As such, the Option Offer will be made with HK\$0.00001 in cash for the cancellation of each outstanding Option.

Following acceptance of the Option Offer in respect of each Option, such Option together with all rights attaching thereto will be entirely cancelled and renounced.

## **Value of the Offers**

As at the date of this joint announcement, there are 541,700,500 Shares in issue and 5,283,000 outstanding Options. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this joint announcement.

On the assumption that (i) no Option is exercised before the close of the Option Offer (as all Options are currently out-of-money and the Share Offer Price is lower than the exercise prices of all outstanding Options) and (ii) the Offers are accepted in full, the value of the Share Offer is approximately HK\$3,857 million and the value of the Option Offer is HK\$52.83. In aggregate, the Offers are valued at approximately HK\$3,857 million.

## **Confirmation of financial resources**

The Offeror intends to finance the Offers Consideration by way of (a) firstly, its Internal Funding for up to 60% of the maximum amount of the Offers Consideration, and (b) secondly and when the Internal Funding is fully utilized, the External Financing for up to 40% of the maximum amount of the Offers Consideration.

CLSA Capital Markets and CICC, as the financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

## **Conditions of the Share Offer**

The Share Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offers, will result in the Offeror holding more than 50.1% of the voting rights of the Company;
- (b) no event having occurred which would make any of the Offers or the acquisition of any of the Offer Shares or the cancellation of the Options under the Option Offer void, unenforceable or illegal or prohibit the implementation of any of the Offers or would impose any additional material conditions or obligations with respect to any of the Offers or any part thereof; and
- (c) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offers or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offers or its implementation in accordance with its terms).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above (other than Condition (a)).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke Condition (b), or (c) so as to cause the Share Offer to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Offers. Please refer to the section sub-headed “Conditions of the Share Offer” in this joint announcement for further information on the Conditions.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

## **IRREVOCABLE UNDERTAKING**

On March 30, 2020, Clear Channel KNR gave the Clear Channel KNR Undertaking in favor of the Offeror, pursuant to which Clear Channel KNR has irrevocably undertaken to the Offeror to accept the Share Offer in respect of 275,789,081 Shares held by Clear Channel KNR.

As at the date of this joint announcement, Clear Channel KNR is interested in 275,789,081 Shares, representing approximately 50.91% of the issued share capital of the Company.

Please refer to the sub-section headed “IRREVOCABLE UNDERTAKING” in this joint announcement for details.

## **LISTING STATUS AND POSSIBLE COMPULSORY ACQUISITION**

If the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends (but is not obliged) to exercise the right under the Bermuda Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the Offer Shares validly tendered for acceptance under the Share Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

## **PUBLIC FLOAT**

According to the Listing Rules, if, upon the close of the Share Offer, the Offeror does not become entitled to exercise the power of compulsory acquisition under the Bermuda Companies Act (or the Offeror does not exercise such power of compulsory acquisition) and less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until appropriate steps have been taken to restore the minimum percentage of the Shares in public hands. In such circumstances, the Offeror will take appropriate steps to restore the sufficient public float of the Shares after the close of the Share Offer accordingly.

## **INVESTIGATION AND LITIGATION SUPPORT AGREEMENT**

On March 30, 2020, Clear Channel, the Offeror and the Company entered into the Investigation and Litigation Support Agreement to formalize the Company's provision of support to Clear Channel in respect of the investigation, defense and settlement of the US Investigations, which is an existing arrangement that has been in place since March 2018.

Actual costs properly incurred by the Company for performance of the obligations or activities contemplated under the Investigation and Litigation Support Agreement would be paid for by Clear Channel. Clear Channel undertakes to indemnify and hold each of the Indemnified Parties harmless from and against any costs (including legal costs), expenses, fines, losses, damages or liabilities which any Indemnified Party may suffer or properly incur arising from claims brought by any third party in relation to the decision to enter the Investigation and Litigation Support Agreement, the execution of the Investigation and Litigation Support Agreement, and/or the proper performance of the matters contemplated under the Investigation and Litigation Support Agreement except for any indirect or consequential losses. In respect of the proper performance of the matters contemplated in the Investigation and Litigation Support Agreement, the indemnity does not extend to losses which are finally judicially determined by a court of competent jurisdiction to have arisen from an Indemnified Party's fraud, willful default or gross negligence.

The Investigation and Litigation Support Agreement has a maximum term of two (2) years from the date of its execution.

As at the date of this joint announcement, the Company is held as to approximately 50.91% by Clear Channel KNR, which is an indirect wholly owned subsidiary of Clear Channel. Therefore, Clear Channel is a connected person of the Company under the Listing Rules. As such, the Investigation and Litigation Support Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As there is no consideration contemplated under the Investigation and Litigation Support Agreement, such continuing connected transaction falls within the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and therefore is exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. Zhu Jia, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Thomas Manning and Mr. Christopher Thomas, has been formed to advise the Shareholders and the Optionholders as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptance of the Offers.

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee, the Shareholders and the Optionholders in respect of the Offers. A further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

## COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing, among other matters, the terms and conditions of the Offers and the forms of acceptance of the Share Offer and the Option Offer to the Shareholders and the Optionholders within 21 days of the date of this joint announcement or such later date to which the Executive may consent.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite document.

Accordingly, the Composite Document (accompanied by the forms of acceptance of the Share Offer and the Option Offer) in connection with the Offers setting out, inter alia, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Disinterested Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, is expected to be despatched jointly by the Offeror and the Company to the Shareholders and the Optionholders.

## RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on March 30, 2020 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on March 31, 2020.

***WARNING: Shareholders, Optionholders and/or potential investors of the Company should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.***

## INTRODUCTION

Reference is made to the Rule 3.7 Announcement of the Company dated November 29, 2019 and the monthly updates in the form of the Company's announcements dated December 27, 2019, January 24, 2020, February 24, 2020 and March 24, 2020 regarding its controlling shareholder, Clear Channel's preliminary strategic review of its stake of approximately 50.91% in the Company, which may or may not lead to a sale of all or part of its Shares in the Company.

The Offeror and the Company jointly announce that CLSA Limited and CICC will, for and on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the Shares in the entire issued share capital of the Company, and to cancel all outstanding Options in compliance with Rule 13.5 of the Takeovers Code.

As at the date of this joint announcement, there are 541,700,500 Shares in issue. Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, is the owner of 6,600,000 Shares, representing approximately 1.22% of the issued share capital of the Company.

Save for the 6,600,000 Shares, the Offeror and parties acting in concert with it are not interested in any other Shares as at the date of this joint announcement. Save for the aforesaid and the 5,283,000 Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) outstanding as at the date of this joint announcement.

## **THE OFFERS**

### **The Share Offer**

CLSA Limited and CICC will make the Share Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

**For each Offer Share. . . . . HK\$7.12 in cash**

If, after the date of the despatch of the Composite Document, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Share Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Share Offer Price will be deemed to be a reference to the Share Offer Price as so reduced.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offers are made (i.e. the date of the despatch of the Composite Document).

The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend, the record date of which falls on or after the expected date of despatch of the Composite Document; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offers.

**The Offeror will not increase the Share Offer Price for the Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.**



## The Share Offer Price

The Share Offer Price of HK\$7.12 per Offer Share represents:

- (a) a premium of approximately 50.21% over the closing price of HK\$4.74 per Share as quoted on the Stock Exchange on November 29, 2019, the last trading day prior to the publication of the Rule 3.7 Announcement;
- (b) a premium of approximately 39.61% over the closing price of HK\$5.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 64.81% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement of approximately HK\$4.32 per Share;
- (d) a premium of approximately 86.88% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement of approximately HK\$3.81 per Share;
- (e) a premium of approximately 84.94% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement of approximately HK\$3.85 per Share;
- (f) a premium of approximately 74.08% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement of approximately HK\$4.09 per Share;
- (g) a premium of approximately 43.26% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$4.97 per Share;
- (h) a premium of approximately 33.58% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of approximately HK\$5.33 per Share;
- (i) a premium of approximately 31.85% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$5.40 per Share; and
- (j) a premium of approximately 55.46% over the audited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$4.58 as at December 31, 2019, based on the exchange rate of RMB1 to HK\$1.1267).

## **Highest and Lowest Share Prices**

During the six-month period immediately prior to November 29, 2019 (being the date of publication of the Rule 3.7 Announcement and the commencement of the offer period (as defined under the Takeovers Code)) up to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$5.83 on May 29, 2019 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$3.53 on October 25, 2019.

## **The Option Offer**

CLSA Limited and CICC will make the Option Offer for and on behalf of the Offeror to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Options in exchange of cash on the following basis:

**For cancellation of each of the outstanding Options . . . . . HK\$0.00001 in cash**

As at the date of this joint announcement, there are 5,283,000 outstanding Options granted under the Existing Share Option Scheme, carrying rights to subscribe for 5,283,000 new Shares. 3,800,000 of the outstanding Options have an exercise price of HK\$9.54 per Share, and the remaining 1,483,000 outstanding Options have an exercise price of HK\$8.99 per Share.

As at the date of this joint announcement, Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, holds the Options to subscribe for 1,333,000 new Shares, of which 1,000,000 Options have an exercise price of HK\$9.54 per Share and 333,000 Options have an exercise price of HK\$8.99 per Share.

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders for cancellation of all the outstanding Options. The price for the cancellation of each Option accepted under the Option Offer should normally be the see-through price which represents the excess of the Share Offer Price over the exercise price of each Option. As the Share Offer Price, which is HK\$7.12 per Offer Share, is lower than the exercise prices of all outstanding Options as set out above, all outstanding Options are currently out-of-money. As such, the Option Offer will be made with HK\$0.00001 in cash for the cancellation of each outstanding Option.

Following acceptance of the Option Offer in respect of each Option, such Option together with all rights attaching thereto will be entirely cancelled and renounced.

## **Value of the Offers**

As at the date of this joint announcement, there are 541,700,500 Shares in issue and 5,283,000 outstanding Options. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this joint announcement.

On the assumption that (i) no Option is exercised before the close of the Option Offer (as all Options are currently out-of-money and the Share Offer Price is lower than the exercise prices of all outstanding Options) and (ii) the Offers are accepted in full, the value of the Share Offer is approximately HK\$3,857 million and the value of the Option Offer is HK\$52.83. In aggregate, the Offers are valued at approximately HK\$3,857 million.

### **Confirmation of financial resources**

The Offeror intends to finance the Offers Consideration by way of (a) firstly, its Internal Funding for up to 60% of the maximum amount of the Offers Consideration, and (b) secondly and when the Internal Funding is fully utilized, the External Financing for up to 40% of the maximum amount of the Offers Consideration.

- (a) The Internal Funding of the Offeror will be provided by the Investor Shareholders on a pro rata basis in proportion to their respective shareholding in City Lead amongst themselves; and
- (b) The External Financing is taken out by the Offeror as the borrower and will be utilized only after the Internal Funding is fully utilized. As the security for the External Financing, (i) the Offeror is required to charge the Shares to be acquired by it under the Share Offer in favor of CNCBI, (ii) City Lead is required to charge all of its shares in the Offeror in favor of CNCBI and (iii) Forward Elite is required to charge all of its shares in City Lead in favor of CNCBI, in each case with CNCBI acting as the security agent for the Lenders of the External Financing. In addition, Mr. Han Zi Jing has provided a personal guarantee in favor of CNCBI as the agent for the Lenders of the External Financing, and each of Forward Elite and City Lead has provided a corporate guarantee in favor of the Lenders of the External Financing, in respect of all amounts due under the External Financing. The Investor Shareholders are not required to provide any direct security or guarantee in respect of the External Financing, except that each of Antfin and JCDI has provided comfort letters to CNCBI as agent for the Lenders of the External Financing as credit support.

CLSA Capital Markets and CICC, as the financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

### **Conditions of the Share Offer**

The Share Offer is conditional upon the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offers, will result in the Offeror holding more than 50.1% of the voting rights of the Company;

- (b) no event having occurred which would make any of the Offers or the acquisition of any of the Offer Shares or the cancellation of the Options under the Option Offer void, unenforceable or illegal or prohibit the implementation of any of the Offers or would impose any additional material conditions or obligations with respect to any of the Offers or any part thereof; and
- (c) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offers or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offers or its implementation in accordance with its terms).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above (other than Condition (a)).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke Condition (b), or (c) so as to cause the Share Offer to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Offers.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least 14 days after the Offers become unconditional in all respects. Shareholders and Optionholders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

### **Effect of Accepting the Offers**

Acceptance of the Share Offer will constitute a warranty to the Offeror by each person accepting it that the Shares acquired under the Share Offer and sold by such persons are free from any Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offers are made (i.e. the date of the despatch of the Composite Document).

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code. Rule 17 of the Takeovers Code provides that an acceptor of the Offers shall be entitled to withdraw his/her/its acceptance after 21 days from the first closing date of the Offers if the Offers have not by then become unconditional as to acceptances.

### **Overseas Shareholders and Optionholders**

The making of the Share Offer to the Shareholders and the Option Offer to the Optionholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders and Optionholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder or Optionholder who wishes to accept the Share Offer and the Option Offer respectively to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Shareholder or Optionholder in such relevant jurisdictions.

**Any acceptance by any Shareholder or Optionholder will be deemed to constitute a representation and warranty from such Shareholder or Optionholder to the Offeror and that all laws, regulations and requirements applicable to that Shareholder or Optionholder have been complied with and that the Share Offer and the Option Offer can be lawfully accepted by such Shareholder and Optionholder respectively under the laws and regulations of the relevant jurisdiction. Shareholders and Optionholders should consult their professional advisers if in doubt.**

**The Shareholders and the Optionholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Shareholders and Optionholders (i) as to whether the Offers are, or are not, fair and reasonable; and (ii) as to acceptance of the Offers.**

### **Taxation advice**

None of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets and CICC, Independent Financial Adviser or any of their respective directors or advisers or any persons involved in the Offers is in a position to advise Shareholders and/or Optionholders on their own tax implications in any relevant jurisdiction. Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications in any relevant jurisdiction of accepting or rejecting the Offers.

None of the Offeror, the Company, their ultimate beneficial owners and parties acting in concert with any of them, CLSA Limited, CLSA Capital Markets and CICC, Independent Financial Adviser, the share registrar of the Company or any of their respective directors, officers, associates or advisers or any persons involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of the acceptance or rejection of the Offers by any Shareholder and/or Optionholder.

### **Stamp Duty**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares.

No stamp duty is payable in connection with the Option Offer.

### **Payment**

Payment in cash in respect of acceptance of the Offers will be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) after the later of (i) the date on which the Offers become, or are declared, unconditional in all respects and (ii) the date on which the duly completed acceptance of the Offers and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent). The Offeror shall, or shall procure CLSA Limited or CICC or their respective agents to, duly execute payment cheques for payment of consideration for offer acceptance under the Offers and make available sufficient funds in the relevant Offeror's bank account for payment of consideration under the Offers by the Offeror in compliance with the Takeovers Code until the earlier of (a) the date on which the relevant securities holders are paid following the deposit and presentation of their payment cheques, and (b) the expiry date of six months after the date of issue of the relevant cheques ("**Payment Deadline**"). The Offeror shall, and shall procure CLSA Limited or CICC or their respective agents, not to revoke payment instructions to the relevant receiving bank issuing the payment cheques in any circumstances before the Payment Deadline. In the event that a payment cheque is lost by the relevant securities holder or the clearance of such payment cheque cannot be effected before the Payment Deadline due to suspension or disruption of international travel or courier services to or from Hong Kong, provided that the relevant securities holder notifies the Offeror in writing of such circumstances before the Payment Deadline, the Offeror shall, and/or shall procure CLSA Limited or CICC or their respective agents, to revoke payment instructions in respect of the original payment cheque and provide that relevant securities holder with a replacement cheque as soon as reasonably practicable and the Offeror will set aside the amount in respect of such unrepresented cheque in the Offeror's escrow account co-managed by the Offeror and CLSA Capital Markets or a separate deposit account designated by the Offeror until the earlier of (i) the date on which the relevant securities holder is paid following the deposit and presentation of its cheque; and (ii) the expiry of six years from the date of this announcement.

## **Interests of the Offeror and Parties Acting in Concert with it in the Shares**

As at the date of this joint announcement, Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, holds 6,600,000 Shares, representing approximately 1.22% of the total issued Shares.

As at the date of this joint announcement, Mr. Han Zi Jing, an executive Director and a party acting in concert with the Offeror, holds Options to subscribe for 1,333,000 new Shares, of which 1,000,000 Options have an exercise price of HK\$9.54 per Share and 333,000 Options have an exercise price of HK\$8.99 per Share.

Save as aforesaid, as at the date of this joint announcement, none of the Offeror and parties acting in concert with it owns, controls or has direction over any Shares or holds any convertible securities, warrants, options or derivatives in respect of the Shares.

## **Other Information**

The Offeror confirms that, as at the date of this joint announcement:

- (a) save for 6,600,000 Shares and the 1,333,000 Options held by Mr. Han Zi Jing, none of the Offeror or the parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (b) save for the Clear Channel KNR Undertaking, none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or reject the Offers;
- (c) save for the Shareholders' Agreement, the Clear Channel KNR Undertaking, FE Deed of Indemnity, the share mortgage executed by City Lead to charge all of its shares in the Offeror in favor of CNCBI and the share mortgage executed by the Offeror to charge the Shares to be acquired by it under the Share Offer in favor of CNCBI, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (d) there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) none of the Offeror or parties acting in concert with it has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (f) there is no understanding, arrangement or agreement which constitutes a special deal between the Offeror or parties acting in concert with it on one hand and Clear Channel KNR and its concert parties on the other hand;

- (g) there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it to Clear Channel KNR or parties acting in concert with it in relation to the Offer Shares and Options under the Offers, other than the Share Offer Price and the Option Offer Price;
- (h) none of the Offeror or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (i) none of the Offeror and parties acting in concert with it has dealt in the Shares, options, derivatives, warrants and/or other securities convertible into Shares during the six-months period prior to the date of the Rule 3.7 Announcement up to the date of this joint announcement.

As at the date of this joint announcement, there is no understanding, arrangement or agreement which constitute a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand, and the Offeror and parties acting in concert with it on the other hand.

The Company confirms that, as at the date of this joint announcement, there is no understanding, arrangement or agreement which constitute a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders on the one hand, and the Company, its subsidiaries or associated companies on the other hand.

## **NOTICE TO US INVESTORS**

The receipt of cash by a US Shareholder pursuant to the Offers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his/her independent professional adviser immediately regarding the tax consequences of the Offers applicable to him/her.

It may be difficult for the US Shareholders to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. The US Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

## **IRREVOCABLE UNDERTAKING**

### **Clear Channel KNR Undertaking**

On March 30, 2020, Clear Channel KNR gave the Clear Channel KNR Undertaking in favor of the Offeror, pursuant to which Clear Channel KNR has irrevocably undertaken to the Offeror to accept the Share Offer in respect of 275,789,081 Shares held by Clear Channel KNR.

As at the date of this joint announcement, Clear Channel KNR is interested in 275,789,081 Shares, representing approximately 50.91% of the issued share capital of the Company.



The main terms and conditions of the Clear Channel KNR Undertaking are set out as follows:

- (a) Clear Channel KNR will irrevocably accept the Share Offer in respect of all of the Sale Shares within seven business days following the date of despatch of the Composite Document, or, to the extent that international travel or courier services to Hong Kong are suspended or delayed, as soon as possible but in any event within 21 days after the date of despatch of the Composite Document, on such terms and subject to such Conditions of the Share Offer as set out in the Composite Document. The Sale Shares, once tendered, will be acquired by the Offeror on such terms and subject to such conditions of the Share Offer as set out in the Composite Document, free from all Encumbrances and with all rights to dividends and other distributions from the date of despatch of the Composite Document;
- (b) subject to the confidentiality obligations and fiduciary duty of any director who is an employee of any of the affiliated entities of Clear Channel KNR on the board of directors of the Company as well as compliance with all applicable laws and regulation, if Clear Channel KNR is aware of any changes, effects, facts, events or circumstances which have materially and adversely affected, or would be reasonably expected to materially and adversely affect, the fulfilment of Conditions (b) to (c) of the Share Offer (other than Condition (a) of the Share Offer in relation to the acceptance level) as set out in this joint announcement at or before 8:30 a.m. on the date of despatch of the Composite Document, Clear Channel KNR shall notify the Offeror in writing as soon as reasonably practicable after Clear Channel KNR becomes aware of it, provided always that Clear Channel KNR will not give any notification to the Offeror if the facts involve inside information (as defined under the SFO) in relation to the Company and Clear Channel KNR will only give notification to the Offeror in compliance with all applicable laws and regulation; and
- (c) notwithstanding the Takeovers Code or the terms of the Share Offer may confer a right of withdrawal on the accepting Shareholders, Clear Channel KNR shall not withdraw its acceptance of the Share Offer in respect of the Sale Shares.

Clear Channel KNR shall be entitled to terminate the Clear Channel KNR Undertaking by notice in writing to the Offeror upon the occurrence of any of the following termination events:

- (a) this joint announcement failing to be published at or before 11:00 p.m. on March 31, 2020 or such later date as may be agreed between the Offeror and Clear Channel KNR;
- (b) the Share Offer Price or Conditions of the Share Offer or any of the terms and conditions of the Offers in this joint announcement being amended without the prior written consent of Clear Channel KNR (such consent not to be unreasonably withheld, delayed or conditioned), except any increase in the Share Offer Price or any other change which does not have any material adverse effect on Clear Channel KNR or its affiliates;
- (c) the Composite Document failing to be despatched within 21 days of the date of this joint announcement or within such longer period as the Offeror may with the written consent of the Executive determine, but in any event within 42 days of the date of this joint announcement; or

- (d) the Share Offer lapsing or being withdrawn (with the consent of the Executive, as applicable).

In the event of the termination of the Clear Channel KNR Undertaking by Clear Channel KNR upon the occurrence of any of the termination events, the Clear Channel KNR Undertaking shall be terminated and be of no further force and effect subject to any antecedent breaches and such termination shall not affect any rights accrued by the parties to the Clear Channel KNR Undertaking prior to termination.

## **LISTING STATUS AND POSSIBLE COMPULSORY ACQUISITION**

If the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends (but is not obliged) to exercise the right under the Bermuda Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in the Composite Document its intention to avail itself of any powers of compulsory acquisition, the Share Offer may not remain open for acceptance for more than four months from the despatch date of the Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the Offer Shares validly tendered for acceptance under the Share Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

## **PUBLIC FLOAT**

According to the Listing Rules, if, upon the close of the Share Offer, the Offeror does not become entitled to exercise the power of compulsory acquisition under the Bermuda Companies Act (or the Offeror does not exercise such power of compulsory acquisition) and less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until appropriate steps have been taken to restore the minimum percentage of the Shares in public hands. In such circumstances, the Offeror will take appropriate steps to restore the sufficient public float of the Shares after the close of the Share Offer accordingly.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this joint announcement is set out below:

Shareholders	As at the date of this joint announcement	
	Number of Shares	Approximate percentage of shareholding
<u>Offeror and parties acting in concert with it</u>		
Offeror	0	0%
Mr. Han Zi Jing (Note 1)	6,600,000	1.22%
<u>Disinterested Shareholders</u>		
Clear Channel KNR (Note 2)	275,789,081	50.91%
International Value Advisers, LLC (Note 3)	83,406,850	15.40%
Mittleman Brothers, LLC (Note 3)	37,871,310	6.99%
<u>Director</u>		
Mr. Peter Cosgrove (Note 4)	250,000	0.05%
Other public Shareholders	137,783,259	25.43%
<b>Total</b>	<b>541,700,500</b>	<b>100.00%</b>

*Notes:*

1. The 6,600,000 shares are held by Outdoor Media China, Inc., a company incorporated in Western Samoa of Offshore Chambers and wholly owned by Golden Profits Consultants Limited, which is held as to approximately 94.5% by Mr. Han Zi Jing.
2. As the date of this joint announcement, Clear Channel KNR is an indirect wholly owned subsidiary of Clear Channel, which is listed on the New York Stock Exchange.
3. Based on their latest disclosure of interest filings pursuant to Part XV of the SFO and/or their dealing disclosure filings under the Takeovers Code.
4. The 250,000 shares are held by Media General Superannuation Fund of which Mr. Peter Cosgrove is the sole beneficiary.

## INFORMATION ON THE GROUP

### Principal activities

The Company is the largest operator of bus shelter advertising panels in the PRC, with leading market share of more than 70% in top-tier cities, and broad presence in the fastest growing cities across the country and provides one-stop solutions for nationwide advertising campaigns to the customers.

### Financial Information

Set out below is a summary of the financial information of the Group extracted from (i) the annual reports of the Company for the two years ended December 31, 2018 and December 31, 2017; and (iii) the annual results announcement of the Company for the year ended December 31, 2019.

	<b>Year ended December 31, 2019 (audited) (RMB'000)</b>	Year ended December 31, 2018 (audited) (RMB'000)	Year ended December 31, 2017 (audited) (RMB'000)
Revenue	<b>1,445,850</b>	1,803,664	1,706,306
Profit/(loss) before taxation	<b>(93,328)</b>	361,039	400,076
Profit/(loss) after taxation	<b>(84,138)</b>	254,358	280,639
	<b>As at December 31, 2019 (audited) (RMB'000)</b>	As at December 31, 2018 (audited) (RMB'000)	As at December 31, 2017 (audited) (RMB'000)
Total assets	<b>5,116,476</b>	3,441,774	3,169,620
Total liabilities	<b>2,787,440</b>	927,321	829,720
Net assets	<b>2,329,036</b>	2,514,453	2,339,900

### INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability and is wholly owned by City Lead, which is held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund.

Forward Elite is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Han Zi Jing.

Antfin is an investment holding company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Financial. Ant Financial is a company incorporated in the PRC and together with its ecosystem partners is engaged in businesses that bring financial services to individuals and small and micro-sized individual customer and small businesses worldwide. Ant Financial is owned as to approximately 50% by two limited liability partnerships established in the PRC, whose general partner is wholly-owned by Mr. Jack Ma, and as to 33% by Alibaba Group Holding Limited indirectly (a company listed on the New York Stock Exchange, stock symbol BABA, and the Hong Kong Stock Exchange, stock code 9988), and the remaining interest by other shareholders.

JCDI is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of JCDecaux, a company incorporated in France and listed on Euronext Paris (stock code: DEC). JCDecaux Group is the premium outdoor advertising corporation in the world and a multinational corporation headquartered in France.

CWG Fund is an exempted limited partnership registered under the laws of the Cayman Islands, principally engaged in investment holding, whose general partner is JT China Wealth Management Limited and whose sole limited partner is Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司), which is in turn wholly-owned by JIC Capital Management (Tianjin) Limited, a PRC state-owned enterprise and principally engaged in private equity investment.

## **SHAREHOLDERS' AGREEMENT**

On March 29, 2020, Forward Elite, Antfin, JCDI, CWG Fund, City Lead, and the Offeror entered into the Shareholders' Agreement, pursuant to which they have agreed, amongst other things, that:

### **(a) Corporate Governance**

Certain material actions and decisions of City Lead, the Offeror and the Group Companies, including any material decisions relating to the Offers, changes in share capital, changes in constitutional documents, liquidation of any of the relevant entities, declaration and payment of dividends, entry into related party transactions, and approval or amendment to equity incentive plans, shall not be made without obtaining the prior written consent of each of Forward Elite, Antfin, JCDI, and CWG Fund, provided that, with respect to the actions and decisions of the Group Companies, such requirements shall only apply upon the Offeror acquiring more than 50% of the total issued share capital of the Company, and shall be subject to compliance with the Listing Rules until the Company becomes delisted from the Stock Exchange.

Each of City Lead and the Offeror shall have up to five (5) directors, of which Forward Elite shall have the right to nominate two (2) directors, Antfin shall have the right to nominate one (1) director, JCDI shall have the right to nominate one (1) director and CWG Fund shall have the right to nominate one (1) director.

Subject to compliance with the applicable laws (including the Takeovers Code and the Listing Rules), for so long as the Company remains listed on the Stock Exchange, the parties shall procure that the Company shall have a Board of Directors consisting of eight (8) Directors, of which (a) Forward Elite shall have the right to nominate two (2) Directors, (b) Antfin shall have the right to nominate one (1) Director, (c) JCDI shall have the right to nominate one (1) Director, (d) CWG Fund shall have the right to nominate one (1) Director, and (e) three (3) Directors shall be independent non-executive Directors nominated and appointed in accordance with the Listing Rules.

As soon as practicable following the date on which the Company becomes delisted from the Stock Exchange, the Parties shall cause the board of directors of each company in the Group to be constituted in the same manner as the board composition for City Lead and the Offeror as described above.

As at the date of this joint announcement, Mr. Han Zi Jing, Ms. Junrong Zhao, Mr. Chen Liang, Mr. Hon Chiu Stephen Wong and Ms. Fei Fei Shum are the directors of each of the Offeror and City Lead.

**(b) Pre-emptive rights**

Each of Forward Elite, Antfin, JCDI and CWG Fund shall have customary pre-emptive rights in respect of issuance of new securities by City Lead.

**(c) Inter-shareholder lending**

It is noted that Forward Elite has not provided any actual funding for the Offers Consideration. The Shareholders' Agreement provides that, as amongst Forward Elite and the Investor Shareholders, Forward Elite shall be responsible for providing funds for repayment of the External Financing.

If all of the Offer Shares are acquired under the Share Offer, then the amount of External Financing (which can be utilized only after the Internal Funding has been fully utilized and can cover 40% of the maximum amount of the Offers Consideration) will fully cover Forward Elite's pro rata contribution to the Offers Consideration, determined based on its 40% shareholding in City Lead.

If less than all of the Offer Shares are acquired under the Share Offer, the External Financing (which can only be utilized after the Internal Funding has been fully utilized) will not cover Forward Elite's required pro rata contribution to the Offers Consideration (determined based on its 40% shareholding in City Lead). In such circumstances, the Investor Shareholders' contribution to the Offers will exceed their pro rata share of the Offers Consideration (determined based on their shareholding in City Lead) (the excess from each Investor Shareholder being its "**Excess Contribution**"). The Shareholders' Agreement provides that, where such Excess Contribution by Investor Shareholders arises, Forward Elite shall be deemed to have loaned from each of the Investor Shareholders, an amount equal to its Excess Contribution (collectively, the "**Initial Funding Inter-shareholder Loans**"). All Initial Funding Inter-shareholder Loans shall be repaid in parallel with, and in proportion to, the repayment of the External Financing in accordance with the repayment schedule of the External Financing, and shall be repaid in full by no later than the date of full repayment of the External Financing.

To the extent that the Offeror uses any of its funds (which were originally available for distribution to City Lead and ultimately the shareholders of City Lead) to repay the External Financing, the Shareholders' Agreement provides that Forward Elite shall be deemed to have loaned from each Investor Shareholder an amount equal to that Investor Shareholder's pro rata share of the relevant funds of the Offeror (determined based on its shareholding in City Lead) (the "**Bidco Repayment Inter-shareholder Loans**", and together with the Initial Funding Inter-shareholder Loans, the "**Inter-shareholder Loans**"). All Bidco Repayment Inter-shareholder Loans shall be repaid in full by no later than 18 months following the date of full repayment of the External Financing.

In the event of default in any repayment of the Inter-shareholder Loans, the Investor Shareholders may (subject to the security documents under the External Financing) require Forward Elite to sell the shares in City Lead held by it and its affiliates, and apply the proceeds of such sale towards satisfaction of any outstanding amount under the Inter-shareholder Loans.

The following worked examples illustrate the Inter-shareholder Loans arrangements in the event that the acceptance level of the Share Offer is 100%, 70% and 55% respectively, assuming there is no change in the number of Shares between the date of this joint announcement and the Closing Date:

**Assuming that the acceptance level is 100% and the Offers Consideration required is HK\$3,856,907,613:**

	Required contribution to the Offers Consideration based on its/their pro rata shareholding in City Lead	Actual Contribution to the Offers Consideration
<b>Forward Elite</b>		
External Financing <sup>^</sup>		HK\$1,542,763,045
Initial Funding Inter-shareholder Loans*		HK\$0
<b>Total:</b>	<b>HK\$1,542,763,045</b>	<b>HK\$1,542,763,045</b>
<b>Investor Shareholders<sup>#</sup></b>		
Investor Shareholders' contribution		HK\$2,314,144,568
Initial Funding Inter-shareholders Loans*		HK\$0
<b>Total:</b>	<b>HK\$2,314,144,568</b>	<b>HK\$2,314,144,568</b>

<sup>^</sup> As the acceptance level is 100%, after the Internal Funding (representing 60% of the required Offers Consideration (i.e. HK\$2,314,144,568)) is fully utilised, the External Financing will cover all of the remaining 40% of the required Offers Consideration

\* There will be no inter-shareholders lending in a 100% acceptance level scenario

<sup>#</sup> Amounts to be contributed amongst Antfin (30%), JCDI (23%) and CWG Fund (7%) in their pro rata shareholding in City Lead with an accumulated shareholding of 60%

**Assuming that the acceptance level is 70% and the Offers Consideration required is HK\$2,699,835,329:**

	<b>Required contribution to the Offers Consideration based on its/their pro rata shareholding in City Lead</b>	<b>Actual Contribution to the Offers Consideration</b>
<b>Forward Elite</b>		
External Financing <sup>^^</sup>		HK\$385,690,761
Initial Funding Inter-shareholder Loans <sup>**</sup>		HK\$694,243,371
<b>Total:</b>	<b>HK\$1,079,934,132</b>	<b>HK\$1,079,934,132</b>
<b>Investor Shareholders<sup>##</sup></b>		
Investor Shareholders' contribution		HK\$2,314,144,568
Initial Funding Inter-shareholders Loans <sup>**</sup>		HK\$(694,243,371)
<b>Total:</b>	<b>HK\$1,619,901,197</b>	<b>HK\$1,619,901,197</b>

<sup>^^</sup> As the acceptance level is 70%, only HK\$385,690,761 of the External Financing (representing 10% of the maximum amount of the Offers Consideration) will be utilized after the Internal Funding (representing 60% of the maximum amount of the Offers Consideration) is fully utilised

<sup>\*\*</sup> Antfin, JCDI and CWG Fund will be lending HK\$694,243,371 to Forward Elite in the form of Initial Funding Inter-shareholders Loans

<sup>##</sup> Amounts to be contributed amongst Antfin (30%), JCDI (23%) and CWG Fund (7%) in their pro rata shareholding in City Lead with an accumulated shareholding of 60%

**Assuming that the acceptance level is 55% and the Offers Consideration required is HK\$2,121,299,187:**

	<b>Required contribution to the Offers Consideration based on its/their pro rata shareholding in City Lead</b>	<b>Actual Contribution to the Offers Consideration</b>
<b>Forward Elite</b>		
External Financing <sup>^^^</sup>		HK\$0
Initial Funding Inter-shareholder Loans <sup>***</sup>		HK\$848,519,675
<b>Total:</b>	<b>HK\$848,519,675</b>	<b>HK\$848,519,675</b>
<b>Investor Shareholders<sup>###</sup></b>		
Investor Shareholders' contribution		HK\$2,121,299,187
Initial Funding Inter-shareholders Loans <sup>***</sup>		HK\$(848,519,675)
<b>Total:</b>	<b>HK\$1,272,779,512</b>	<b>HK\$1,272,779,512</b>

<sup>^^^</sup> External Financing will not be utilized as the Internal Funding (representing 60% of the maximum amount of the Offers Consideration) exceeds the required Offers Consideration at the acceptance level of 55%

<sup>\*\*\*</sup> Antfin, JCDI and CWG Fund will be lending HK\$848,519,675 to Forward Elite in the form of Initial Funding Inter-shareholders Loans

<sup>###</sup> Amounts to be contributed amongst Antfin (30%), JCDI (23%) and CWG Fund (7%) in their pro rata shareholding in City Lead with an accumulated shareholding of 60%



**(d) Transfer of shares**

None of Forward Elite, Antfin, JCDI and CWG Fund may transfer any of its shares in City Lead to any person at any time prior to the expiry of the offer period (as defined under the Takeovers Code), or the completion of the compulsory acquisition process (if the compulsory acquisition right is exercised) (the “**Lock-Up Period**”).

Following the expiry of the Lock-Up Period:

- (i) any transfer of shares in City Lead by any of its shareholders shall not be made to certain restricted persons (unless the prior written consent of the relevant shareholder(s) has been obtained), and shall be subject to customary rights of first refusal of the other shareholders;
- (ii) Forward Elite and its affiliates shall remain the single largest shareholder of City Lead and their shareholding shall remain no less than 30% immediately following completion of any transfer of shares in City Lead by Forward Elite or its affiliates;
- (iii) any transfer of shares in City Lead by Forward Elite prior to the full repayment of the External Financing and the Inter-shareholder Loans shall require the prior written consent of Antfin and JCDI unless (A) such transfer is made on a bona fide basis and the full amount of the proceeds of such transfer shall be applied towards the repayment of such External Financing and the Inter-shareholder Loans or (B) such transfer is made to a permitted transferee of Forward Elite;
- (iv) any transfer of shares in City Lead by Forward Elite following the full repayment of the External Financing and the Inter-shareholder Loans, to the extent that the other shareholders have not exercised their respective rights of first refusal, shall be subject to co-sale rights of such other shareholders;
- (v) any transfer of shares in City Lead by Antfin, to the extent that the other shareholders have not exercised their respective rights of first refusal and JCDI has not exercised its right of first refusal, shall be subject to co-sale rights of JCDI; and
- (vi) any transfer of shares in City Lead by JCDI, to the extent that the other shareholders have not exercised their respective rights of first refusal and Antfin has not exercised its right of first refusal, shall be subject to co-sale rights of Antfin.

The aforementioned rights of first refusal and co-sale rights shall not apply in respect of (i) the transfer of shares to a permitted affiliate, (ii) the transfer of shares by Forward Elite to any eligible person as determined by Forward Elite and approved by each of Forward Elite, Antfin, JCDI and CWG Fund from time to time, provided that Mr. Han Zi Jing remains the single largest shareholder of Forward Elite following completion of such transfer, and Forward Elite remains the single largest shareholder of City Lead with a shareholding of no less than 30%, (iii) the transfer of shares pursuant to requirements under the security documents of the External Financing (provided that the rights of first refusal shall continue to apply to such transfer) or (iv) the transfer of shares pursuant to requirements under any Inter-shareholder Loan.

## **INVESTIGATION AND LITIGATION SUPPORT AGREEMENT**

On March 30, 2020, Clear Channel, the Offeror and the Company entered into the Investigation and Litigation Support Agreement to formalize the Company's provision of support to Clear Channel in respect of the investigation, defense and settlement of the US Investigations, which is an existing arrangement that has been in place since March 2018.

### **Subject Matter**

Pursuant to the Investigation and Litigation Support Agreement, the Company agrees to provide continued cooperation with Clear Channel with respect to the US Investigations in three main areas: (i) maintenance of records and business data of the Group; (ii) provision of factual information related to the US Investigations; and (iii) if requested, using commercially reasonable efforts to arrange for the availability of current employees of the Group to attend interviews or give testimony to the SEC or the DOJ related to the US Investigations. Clear Channel will be granted access rights to data of the Company in connection with Clear Channel's defence or settlement of the US Investigations.

Actual costs properly incurred by the Company for performance of the obligations or activities contemplated under the Investigation and Litigation Support Agreement would be paid for by Clear Channel.

The Offeror (i) consents to the entering into of the Investigation and Litigation Support Agreement and performance of obligations thereunder by the Company and acknowledges and confirms that the entering into of the Investigation and Litigation Support Agreement and performance of obligations thereunder by the Company is not a frustrating action under the Takeovers Code; (ii) undertakes to, where required, exercise its voting rights in the Company and use commercially reasonable endeavours to procure its nominee Directors (if any) to vote and execute any process (in accordance with their fiduciary duties and in the interest of the Company) in such manner as is necessary to enable the Company to comply with its obligations under the Investigation and Litigation Support Agreement, (iii) in the event that it becomes the new controlling shareholder of the Company, undertakes to, either by way of convening a shareholders' meeting of the Company (if the Company remains listed on the Stock Exchange and the Offeror is not required to abstain from voting on the relevant resolution) or passing a written shareholders' resolutions of the Company, ratify the Company's decision to enter into the Investigation and Litigation Support Agreement at such shareholders' meeting or such shareholders' written resolutions as soon as practicable after the Investigation and Litigation Support Agreement has taken effect, and (iv) undertakes not to, and following the tender of acceptance of Share Offer by Clear Channel, procure that the Company does not, bring any proceedings against the Company and/or any Indemnified Party for any claim that is covered by the indemnity in the Investigation and Litigation Support Agreement against Clear Channel.

## **Indemnity**

Clear Channel undertakes to indemnify and hold each of the Indemnified Parties harmless from and against any costs (including legal costs), expenses, fines, losses, damages or liabilities which any Indemnified Party may suffer or properly incur arising from claims brought by any third party in relation to the decision to enter the Investigation and Litigation Support Agreement, the execution of the Investigation and Litigation Support Agreement, and/or the proper performance of the matters contemplated under the Investigation and Litigation Support Agreement except for any indirect or consequential losses. In respect of the proper performance of the matters contemplated in the Investigation and Litigation Support Agreement, the indemnity does not extend to losses which are finally judicially determined by a court of competent jurisdiction to have arisen from an Indemnified Party's fraud, willful default or gross negligence. Clear Channel agrees to forego any claim against the Indemnified Parties for claims covered by the indemnity under the Investigation and Litigation Support Agreement.

The Indemnified Parties have sought a further indemnity from Forward Elite, and Forward Elite has agreed to provide such indemnity (the "**FE Indemnity**") pursuant to a deed of indemnity entered into by the Indemnified Parties and Forward Elite (the "**FE Deed of Indemnity**"). The scope and the terms of the FE Indemnity follow those of the indemnity given by Clear Channel. Under the FE Deed of Indemnity, where the Indemnified Party has suffered or properly incurred any losses arising from claims brought by any third party in relation to the matters set out in the FE Deed of Indemnity, to the extent that Clear Channel has not already reimbursed or confirmed to reimburse the relevant Indemnified Party and to the extent that the relevant Indemnified Party has not been reimbursed or confirmed that he will be reimbursed under the Directors & Officers insurance policy (the "**D&O Insurance**") maintained by the Company in respect of the losses, Forward Elite undertakes to indemnify and hold the relevant Indemnified Party harmless from and against any such outstanding losses provided that the relevant Indemnified Party undertakes to file a claim under the D&O Insurance in respect of any losses as soon as reasonably practicable.

## **Term**

The Investigation and Litigation Support Agreement shall (a) in respect of the provision of support to Clear Channel, become effective as and when the Share Offer becomes or is declared unconditional in all respects, and (b) in respect of the other sections of the Investigation and Litigation Support Agreement, become effective upon execution thereof.

The Investigation and Litigation Support Agreement shall remain in full force and effect thereafter until the earliest of (i) the mutual written consent of the parties thereto to terminate the Investigation and Litigation Support Agreement; (ii) thirty (30) days after termination of the US Investigations by final binding settlements or final court orders, not subject to appeal or review; (iii) the SEC and the DOJ informing Clear Channel of the discontinuance of the US Investigations, whether pursuant to a settlement or otherwise; and (iv) two (2) years from the date of the Investigation and Litigation Support Agreement; provided that with respect to the Offeror only, the Investigation and Litigation Support Agreement shall terminate upon the Offeror ceasing to hold 5% or more of the Shares.

## **Reasons and Benefits of the Investigation and Litigation Support Agreement**

Taking into account various factors, including the fact that the materialization of the Offers will result in the minority Shareholders being able to sell their stake in the Company at a significant premium, the Directors (including the independent non-executive Directors, but excluding Mr. Han Zi Jing, Mr. Peter Cosgrove, Mr. William Eccleshare, Mr. Michael Saunter and Mr. Adam Tow who abstained from voting for the reasons stated below) are of the view that, while the Investigation and Litigation Support Agreement is not on normal commercial terms and not in the ordinary and usual course of business of the Group, the terms of the Investigation and Litigation Support Agreement are fair and reasonable and the entering into of the Investigation and Litigation Support Agreement by the Company is in the interests of the Company and the Shareholders as a whole.

## **Listing Rules Implications**

As at the date of this joint announcement, the Company is held as to approximately 50.91% by Clear Channel KNR, which is an indirect wholly owned subsidiary of Clear Channel. Therefore, Clear Channel is a connected person of the Company under the Listing Rules. As such, the Investigation and Litigation Support Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As there is no consideration contemplated under the Investigation and Litigation Support Agreement, such continuing connected transaction falls within the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and therefore is exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Han Zi Jing is a party acting in concert with the Offeror. Mr. Peter Cosgrove has facilitated discussions between Clear Channel and the Offeror. Mr. William Eccleshare, Mr. Michael Saunter and Mr. Adam Tow (alternate Director to Mr. William Eccleshare) are management team members of Clear Channel or its subsidiaries. Therefore, each of Mr. Han Zi Jing, Mr. Peter Cosgrove, Mr. William Eccleshare, Mr. Michael Saunter and Mr. Adam Tow is considered to have material interest in the Investigation and Litigation Support Agreement and the transactions contemplated thereunder and has abstained from voting on the relevant board resolution of the Company approving the Investigation and Litigation Support Agreement and the transactions contemplated thereunder.

## **INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

It is the intention of the Offeror that the existing business of the Group shall continue unaffected, notwithstanding the Offers. Subject to the Group's business needs and prevailing market conditions, the Offeror may explore business opportunities to develop the existing business of the Group. As at the date of this joint announcement, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (other than those in its ordinary and usual course of business); (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group.

## **Reasons for and Benefits of the Offers**

### ***For the Company: an endeavor to facilitate a necessary transformation of the business in a challenging environment for the outdoor advertising industry***

The Company's core business, as operator of the most extensive standardized bus shelter advertising network in Mainland China, has faced significant challenges in recent years. First, the rate of economic growth in China has been lower than in previous years, and consequently demand for advertising, which is strongly correlated with economic growth and consumption, has declined overall. Second, demand for outdoor advertising in particular has declined even more substantially, particularly among clients in the e-commerce and digital products sectors. Outdoor advertising is considered to be one of the oldest forms of promotion, and as digital media have increased in popularity in recent years, outdoor advertising has faced intense competition from digital and online advertising. These trends have created a challenging operating environment in which the Company's customers have exercised considerable caution in setting their operating budgets, resulting in persistent late confirmation or last-minute cancellation of orders. Overall, the Company is facing major structural and operational challenges in its existing business model.

Although the Company has explored a range of initiatives to respond to these challenges, the Company's financial performance has deteriorated. Revenue decreased by 19.8% from RMB1,804 million for the year ended 31 December 2018 to RMB1,446 million for the year ended December 31, 2019, and net results attributable to owners of the parent of the Company decreased from a net profit of RMB221 million for the year ended December 31, 2018 to a net loss of RMB87 million for the year ended December 31, 2019. At the same time, the Shares' trading volume were generally low during the 12 months before the Rule 3.7 Announcement, with an average trading volume of approximately 304,086 Shares per trading day, representing 0.06% of the issued share capital of the Company.

In order for the Company to remain competitive in the face of these challenges, it must inevitably restructure and transform its business model, which will require significant investment over a number of years, as well as a highly motivated workforce. Given the downward trend in the Company's Share price and low liquidity in the Shares, however, the listed status of the Company is no longer a viable source of funding for the necessary investments. Moreover, given low liquidity in the Company's Shares, employee option incentive schemes currently are not sufficiently effective for acquisition and retention of talent.

The Offeror, with the support of its shareholders, plans to promote the Company's restructuring and transformation through intensive collaboration with the Company on exploration of new development opportunities and implementation of a series of long-term growth measures. The planned growth measures include expansion of the Company's sales and marketing resources and acquisition of additional bus shelter concession rights, which will require the Company to incur significant expenses and capital expenditures, squeezing its profit margin and affecting its growth profile in the short to medium term. If the Company were to implement these measures while remaining listed, investors' views of the Company's share price would likely diverge from the Company's view of its potential long-term value. Following the implementation of the Offers and the privatization of the Company (if

successful), the Offeror and the Company have flexibility to structure employee compensation in a more optimal manner, and they will be able to make strategic investment decisions focused on realisation of the Company's potential long-term value, free from the pressure of market expectations and the share price fluctuations otherwise associated with the status of a publicly listed company.

***For the Shareholders: an attractive opportunity to monetize their investment in the Company, which has low trading liquidity, at a compelling premium in view of industry headwinds and execution risks***

If the Company were to implement its planned long-term growth measures while remaining listed, the resulting short to medium-term pressure on the Company's profit margins and financial performance could have a significant adverse effect on the Company's Share price. In contrast, the Share Offer Price of HK\$7.12 per Offer Share represents a premium of approximately 50.21% over the closing price on the last trading day prior to the publication of the Rule 3.7 Announcement, as well as a premium of approximately 64.81%, 70.33% and 86.88%, respectively, over the average closing prices for the five, ten and 30 trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement.

The average daily trading volume of the Shares for the 12 months up to and including the last trading day prior to the Rule 3.7 announcement was approximately 304,086 Shares per day, representing only approximately 0.06% of the total number of Shares issued and outstanding as at the date of this joint announcement. The low trading volume of the Shares makes it difficult for Shareholders to execute substantial sales of Shares on-market without adversely affecting the price of the Shares.

The Share Offer, in contrast, provides an opportunity for Shareholders to monetize their investments in the Company immediately for cash at a compelling premium without any downward pressure on the Share price, and therefore allows Shareholders a chance to redeploy their capital into other investment opportunities that they may consider more attractive in the current environment.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising Mr. Zhu Jia, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Thomas Manning and Mr. Christopher Thomas, has been formed to advise the Shareholders and the Optionholders as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptance of the Offers. As Mr. Peter Cosgrove has facilitated discussions between Clear Channel and the Offeror, Mr. Peter Cosgrove is regarded as being interested in the Offers and therefore will not join the Independent Board Committee. As Mr. William Eccleshare, Mr. Michael Saunter and Mr. Adam Tow (alternate to Mr. William Eccleshare) are management team members of Clear Channel or its subsidiaries (which entered into the Clear Channel KNR Undertaking), they will not form part of the Independent Board Committee.

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee, the Shareholders and the Optionholders in respect of the Offers. A further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee in respect of the Offers, in particular, as to whether the Offers are, or are not, fair and reasonable and as to their acceptances, will be included in the Composite Document.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing, among other matters, the terms and conditions of the Offers and the forms of acceptance of the Share Offer and the Option Offer to the Shareholders and the Optionholders within 21 days of the date of this joint announcement or such later date to which the Executive may consent.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the forms of acceptance of the Share Offer and the Option Offer) in connection with the Offers setting out, inter alia, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Disinterested Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, is expected to be despatched jointly by the Offeror and the Company to the Shareholders and the Optionholders.

## **GENERAL**

### **Disclosure of Dealings**

In accordance with Rule 3.8 of the Takeovers Code, the associates (including any person holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

#### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on March 30, 2020 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on March 31, 2020.

**WARNING: Shareholders, Optionholders and/or potential investors of the Company should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## **DEFINITIONS**

Unless the context requires otherwise, the following terms have the following meanings in this joint announcement:

“acting in concert”	has the meaning as ascribed thereto under the Takeovers Code
“Antfin”	Antfin (Hong Kong) Holding Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly owned by Ant Financial
“Ant Financial”	浙江螞蟻小微金融服務集團股份有限公司 (Ant Small and Micro Financial Services Group Co., Ltd.*), a company incorporated in the PRC with limited liability
“associates”	has the meaning ascribed thereto in the Takeovers Code
“Bermuda”	the Islands of Bermuda
“Bermuda Companies Act”	The Companies Act of Bermuda 1981 (as amended)



“Board”	board of the Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, the financial adviser to the Offeror in respect of the Offers
“City Lead”	City Lead Developments Limited (城領發展有限公司), a company incorporated in the British Virgin Islands with limited liability and held as to 40% by Forward Elite, 30% by Antfin, 23% by JCDI and 7% by CWG Fund
“Clear Channel”	Clear Channel Outdoor Holdings, Inc., a company incorporated under the laws of the state of Delaware of United States and listed on the New York Stock Exchange (stock code: CCO)
“Clear Channel KNR”	Clear Channel KNR Neth Antilles NV, a company incorporated in the Curacao and indirectly wholly owned by Clear Channel
“Clear Channel KNR Undertaking”	the irrevocable undertaking dated March 30, 2020 and executed by Clear Channel KNR, pursuant to which Clear Channel KNR has irrevocably undertaken to the Offeror to accept the Share Offer in respect of Sale Shares
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and/or approved by the Executive
“CLSA Capital Markets”	CLSA Capital Markets Limited, a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the lead financial adviser to the Offeror in respect of the Offers, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)

“CLSA Limited”	CLSA Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, being one of the agents making the Share Offer on behalf of the Offeror, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)
“CNCBI”	China Citic Bank International Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Company”	Clear Media Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 100)
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company (or the offer document to be issued by the Offeror, as the case may be) in relation to the Offers in accordance with the Takeovers Code and the Listing Rules
“Compulsory Acquisition Entitlement Period”	the period commencing on the date of the Composite Document and ending on the date falling four months after the date of the Composite Document (or such later date as the Executive may permit for the requisite level of acceptances to be reached in order for the Offeror to undertake compulsory acquisition)
“Conditions”	the conditions of the Share Offer, as set out in the section headed “Conditions of the Share Offer” of this joint announcement
“CWG Fund”	China Wealth Growth Fund III L.P., an exempted limited partnership registered under the laws of the Cayman Islands, whose general partner is JT China Wealth Management Limited and whose sole limited partner is Empyrean Management (Hong Kong) Limited (九天管理(香港)有限公司)
“Director(s)”	director(s) of the Company

“Disinterested Shares”	Shares other than those which are owned by the Offeror and parties acting in concert with it
“Disinterested Shareholders”	holders of Disinterested Shares
“DOJ”	the U.S. Department of Justice
“Encumbrances”	a charge, debenture, mortgage, pledge, deed of trust, lien, option, equity rights, power of sale, hypothecation, claim, retention of title, right of pre-emption, right of first refusal, or other third party right or security interest of any kind or an agreement or obligation to create any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“External Financing”	external debt financing granted by the Lenders to the Offeror in the principal amount of HK\$1,600,000,000
“Existing Share Option Scheme”	the share option scheme approved and adopted by the Company on May 13, 2009 and subsequently amended on June 1, 2012
“Forward Elite”	Forward Elite Holdings Limited (傑發控股有限公司), a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Han Zi Jing
“Group”	the Company and its subsidiaries, and “ <b>Group Company</b> ” means any one of them
“Han Group”	Forward Elite Holdings Limited and Mr. Han Zi Jing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indemnified Party(ies)”	each of the Directors, the company secretary and the chief financial officer of the Company who are in office as at the date of the Investigation and Litigation Support Agreement
“Independent Board Committee”	the independent committee of the Board comprising Mr. Zhu Jia, Mr. Robert Gazzi, Mr. Wang Shou Zhi, Mr. Thomas Manning and Mr. Christopher Thomas established for the purpose of making a recommendation to the Shareholders and the Optionholders in relation to the Offers

“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee in relation to the Offer
“Internal Funding”	an aggregate of up to HK\$2,314,144,568 being provided to the Offeror (via City Lead) by the Investor Shareholders on a pro rata basis in proportion to their respective shareholding in City Lead amongst themselves, being 50% in the case of Antfin (being 30% divided by 60%), 38.33% in the case of JCDI (being 23% divided by 60%), and 11.67% in the case of CWG Fund (being 7% divided by 60%)
“Investigation and Litigation Support Agreement”	the investigation and litigation support agreement entered into among Clear Channel, the Offeror and the Company on March 30, 2020
“Investor Shareholder(s)”	the shareholders of City Lead other than Forward Elite
“JCDI”	JCDecaux Innovate Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly owned by JCDecaux
“JCDecaux”	JCDecaux SA, a company incorporated in France and listed on Euronext Paris (stock code: DEC)
“JCDecaux Group”	JCDecaux and its subsidiaries
“Last Trading Day”	March 27, 2020, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this joint announcement
“Lenders”	a syndicate of lenders led by CNCBI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	any and all of the issued Share(s)
“Offeror”	Ever Harmonic Global Limited (永和環球有限公司), a company incorporated in the Cayman Islands with limited liability which is wholly owned by City Lead
“Offers”	the Share Offer and the Option Offer
“Offers Consideration”	the consideration payable by the Offeror in connection with the Offers

“Option Offer”	the offer to be made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Options
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.00001 per Offer Share
“Optionholders”	holders of the Options
“Options”	the 5,283,000 options granted by the Company pursuant to the Existing Share Option Scheme which remain outstanding as of the date of this joint announcement
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“public”	has the meaning ascribed there to under Rule 8.24 of the Listing Rules (and “in public hands” shall be construed accordingly)
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.7 Announcement”	the announcement of the Company dated November 29, 2019 made pursuant to Rule 3.7 of the Takeovers Code
“SEC”	the U.S. Securities and Exchange Commission
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sale Shares”	275,789,081 Shares held by Clear Channel KNR, representing approximately 50.91% of the issued share capital of the Company
“Share Offer”	the voluntary conditional cash offer by the Offeror to acquire all of the outstanding Shares
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$7.12 per Offer Share
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)

“Shareholders’ Agreement”	the shareholders’ agreement in relation to City Lead and the Offeror dated March 29, 2020 between Forward Elite, Antfin, JCDI, CWG Fund, City Lead, and the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers published by the SFC
“United States” or “US”	the United States of America
“US Investigations”	the SEC Investigation captioned <i>In the Matter of Clear Channel Outdoor Holdings, Inc.</i> , HO-13497, the parallel investigation being conducted by the DOJ (including without limitation the Fraud Section of the DOJ and the United States Attorney’s Office for the Eastern District of New York), and any and all other investigations, proceedings, lawsuits, complaints, and actions (whether investigative, judicial or administrative) of Clear Channel arising out of the same or substantially similar factual issues, being the historical misappropriation of assets by employees of the Group as disclosed in the announcements of the Company dated January 2, 2018, February 8, 2018 and March 19, 2018
“%”	per cent.

\* for identification purposes only

By order of the board of directors of  
**Ever Harmonic Global Limited**  
**Mr. Han Zi Jing**  
*Director*

By order of the board of directors  
**Clear Media Limited**  
**Mr. Jeffrey Yip**  
*Company Secretary*

Hong Kong, March 30, 2020

*As at the date of this joint announcement, the executive Directors are Mr. Joseph Tcheng, Mr. Han Zi Jing, Mr. Zhang Huai Jun and Mr. Zou Nan Feng (alternate to Mr. Zhang Huai Jun); the non-executive Directors are Mr. William Eccleshare, Mr. Peter Cosgrove, Mr. Zhu Jia, Mr. Michael Saunter and Mr. Adam Tow (alternate to Mr. William Eccleshare) and the independent non – executive Directors are Mr. Robert Gazzzi, Mr. Wang Shou Zhi, Mr. Thomas Manning and Mr. Christopher Thomas.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offeror and parties acting in concert with it) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than opinions expressed by the Offeror Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors, JCDecaux Directors*

*and CWG Fund Director) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Han Zi Jing, Ms. Junrong Zhao, Mr. Chen Liang, Mr. Hon Chiu Stephen Wong and Ms. Fei Fei Shum are the directors of the Offeror (“Offeror Directors”).*

*The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Han Group, Antfin, JCDecaux Group and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Han Zi Jing is the sole director of Forward Elite Holdings Limited.*

*The sole director of Forward Elite Holdings Limited accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Antfin, JCDecaux Group and CWG Fund), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Antfin Directors, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Leiming Chen, Mr. Xinyi Han and Mr. Kai Nin Kenny Man are the directors of Antfin (“Antfin Directors”).*

*The directors of Antfin jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Han Group, JCDecaux Group and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Mr. Han Zi Jing, JCDI Directors, JCDecaux Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Juliette, Cécile, Marie Vigier ép. Mouchonnet, Emmanuel André Bernard Bastide and Hon Chiu Stephen Wong are the directors of JCDI (“JCDI Directors”).*

*The JCDI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Han Group, Antfin and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Jean-François Decaux, Mr. Jean-Charles Decaux, Mr. David Bourg, Mr. Emmanuel André Bernard Bastide and Mr. Daniel Hofer are the members of the Executive Board (le Directoire) of JCDecaux SA (“JCDecaux Directors”).*

*The JCDecaux Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Han Group, Antfin and CWG Fund), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors and CWG Fund Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Fei Fei Shum is the sole director of JT China Wealth Management Limited, the general partner of CWG Fund (“CWG Fund Director”).*

*The sole director of JT China Wealth Management Limited (acting in its capacity as a general partner of CWG Fund) accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Han Group, Antfin and JCDecaux Group), and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors, Mr. Han Zi Jing, Antfin Directors, JCDI Directors and JCDecaux Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*