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CLEAR MEDIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 100)

PROFIT SHARING TERM OF JOINT VENTURE

Clear Media Limited (the Company) has extended the term of its entitlement to 90% of the after tax profits of Hainan White Horse Advertising Media Investment Company Limited, its 80%-owned main operating subsidiary for a further year, with an option to extend for a further year thereafter.

BACKGROUND

As disclosed in the prospectus of the Company dated 10 December 2001, the Company conducts its business in the PRC through its main operating subsidiary Hainan White Horse Advertising Media Investment Company Limited (the WHA Joint Venture).

The WHA Joint Venture is a sino-foreign cooperative joint venture in which the Company, through its indirect wholly owned subsidiary, China Outdoor Media Investment (Hong Kong) Company Limited (China Outdoor), holds a 80% shareholding and the remaining 20% shareholding is held by Hainan White Horse Advertising Company Limited (Hainan White Horse Advertising).

Under the joint venture agreement relating to the WHA Joint Venture dated 6 April 2001 (the Joint Venture Agreement), from July 2001 to the end of the fiscal year 2005, China Outdoor is entitled to 90% of the after tax profits of the WHA Joint Venture and for the fiscal year 2006 and onwards, China Outdoor is to be entitled to 80% of the after tax profits of the WHA Joint Venture.

On 9 January 2006, China Outdoor and Hainan White Horse Advertising signed an agreement to amend the Joint Venture Agreement, extending the term of the China Outdoor’s entitlement of 90% of the after tax profits of the WHA Joint Venture for a further two years to the end of the fiscal year 2007. The other terms of the Joint Venture Agreement remain unchanged. In consideration of extension of such profit sharing arrangement, China Outdoor made a one-off payment of HK$500,000 to Hainan White Horse Advertising.

* For identification purposes only
EXTENSION OF PROFIT SHARING TERM

On 3 April 2008, China Outdoor and Hainan White Horse Advertising signed an agreement to further amend the Joint Venture Agreement to further extend the term of the China Outdoor’s entitlement of 90% of the after tax profits of the WHA Joint Venture for a further one year to the end of the fiscal year 2008 (the Amendment Agreement). In consideration of the extension of such profit sharing arrangement, China Outdoor made a one-off payment of HK$250,000 to Hainan White Horse Advertising. China Outdoor has an option to further extend such profit sharing arrangement for a further year thereafter to the end of the fiscal year 2009, subject to a further one-off payment of HK$250,000 to Hainan White Horse Advertising on the first anniversary of the Amendment Agreement. Save as disclosed in this announcement, the other terms of the Joint Venture Agreement remain unchanged.

Such amounts were determined with reference to the amount payable upon the exercise of the option currently held by China Outdoor to purchase the remaining 20% shareholding in the WHA Joint Venture when the relevant PRC laws permit China Outdoor to hold more than 80% shareholding in the WHA Joint Venture. Such payments constitute connected transactions under the Listing Rules because Hainan White Horse Advertising is a connected person of the Company by virtue of it being a substantial shareholder of the WHA Joint Venture, a subsidiary of the Company. The payments to Hainan White Horse Advertising are connected transactions and will fall within the de minimis threshold under Chapter 14A of the Listing Rules, which will be exempted from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

The directors of the Company are of view that the terms of the proposed extension of the profit-sharing term reflect normal commercial terms, are fair and reasonable and are in the interests of the Company.

By order of the Board of
CLEAR MEDIA LIMITED
Lisa Cheong
Company Secretary

Hong Kong, 3 April 2008

As at the date of this announcement, the executive directors of the Company are Mr. Han Zi Jing, Mr. Teo Hong Kiong, Mr. Zou Nan Feng; the non-executive directors are Mr. Steven Yung, Mr. Mark Mays, Mr. Paul Meyer, Mr. Peter Cosgrove, Mr. Mark Thewlis, Mr. Han Zi Dian, Mr. Jonathan Bevan (alternate to Mr. Mark Mays, Mr. Paul Meyer and Mr. Mark Thewlis) and Mr. Zhang Huai Jun (alternate to Mr. Han Zi Dian); and the independent non-executive directors are Mr. Desmond Murray, Mr. Wang Shou Zhi and Ms. Leonie Ki Man Fung.