



**THE STOCK EXCHANGE OF HONG KONG LIMITED**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

1 June 2006

**CRITICISM**

**of**  
**Big Media Group Limited (“the Company”)**  
**for delay in disclosure of its relevant advances by way of an announcement and**  
**non-disclosure in its interim and quarterly reports**

The Stock Exchange of Hong Kong Limited (the “Exchange”) hereby publicly criticises the Company:

- (1) for late disclosure of the relevant advances by the Company thereby breaching Rule 17.15 of the then GEM Listing Rules; and
- (2) for failing to disclose the relevant advances by the Company in its relevant interim and quarterly reports thereby breaching Rule 17.22 of the GEM Listing Rules.

***Late disclosure of advances and non-disclosure in relevant half yearly and quarterly reports***

The Company was required under:

- (i) Rule 17.15 of the then GEM Listing Rules to disclose the relevant advance to an entity from the Company or any of its subsidiaries which exceeded 8 per cent of the Company’s market capitalisation; and
- (ii) Rule 17.22 of the GEM Listing Rules to disclose the information specified under Rule 17.17 in the Company’s half yearly or quarterly or annual report where the circumstances giving rise to a disclosure obligation under the then Rule 17.15 continued to exist at the Company’s half yearly or quarterly period end or annual financial year end.

Upon enquiry following a review by the Listing Division of the Company’s interim report for the period ended 31 December 2004 and the third quarterly report for the period ended 31 March 2005, the Company disclosed that accounts receivables in the sums of approximately \$4,610,000, \$3,490,000 and \$3,946,000 were owing from Lupat Trading Limited, S&R Corporation and Parkline Trading Company respectively which had, since 23 August 2004, exceeded the threshold of 8 per cent of the Company’s market capitalisation under the then Rule 17.15. The Company did not make the relevant disclosure under Rules 17.15 and 17.22 and was unaware of the non-compliance until the matter was raised by the Listing Division by a letter dated 17 August 2005.

The Company published an announcement on 15 September 2005 containing the relevant information and admitting a breach of Rule 17.15. According to the announcement, the obligation under Rule 17.15 first arose on 23 August 2004 being the date when the amount of the Accounts Receivables exceeded 8 per cent of the Company's market capitalisation.

The Company has admitted breaching the provisions of Rules 17.15 and 17.22 of the GEM Listing Rules.

Having considered the foregoing facts and the representations made by the parties concerned, the Listing Committee has concluded that the Company was in breach of Rules 17.15 and 17.22 of the GEM Listing Rules.

Accordingly, the Listing Committee hereby criticises the Company for its respective breaches mentioned above.

The Exchange confirms that this public statement involving criticism applies only to the Company and not to any past or present member of the Board of Directors of the Company.

Richard Williams, Head of Listing, said, "Listed issuers were required by Rule 17.15 in the form existing at the relevant time and Rule 17.22 to disclose advances in the form of accounts receivable of a particular size and magnitude so as to enable the investing public to appraise a company's position. In a wider context the Exchange's general disclosure obligations support confidence in the integrity of the market and enforcement action will be taken, in appropriate circumstances, against listed issuers who fail to comply with such basic disclosure obligations. The obligation imposed by Rule 17.15 at the material time has been modified by the introduction of the current Rule 17.17A which excludes certain transactions from the scope of disclosure under Rule 17.15. Listed issuers are advised to carefully consider the nature and extent of their general disclosure obligations, in particular those under Rule 17.10 which may require the disclosure of exempt balances and transactions in certain circumstances, and to take professional advice when appropriate."