

BIG MEDIA GROUP LIMITED
天下媒體集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8167)

THIRD QUARTERLY REPORT
2007-2008

For the three months and nine months ended
31 March 2008

* *For identification purpose only*

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of BIG Media Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to BIG Media Group Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RESULTS

The board of Directors (the "Board") of BIG Media Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 31 March 2008 together with comparative unaudited figures for the corresponding period of 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	For the three months ended 31 March		For the nine months ended 31 March	
		2008 (unaudited) <i>HK\$'000</i>	2007 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>	2007 (unaudited) <i>HK\$'000</i>
TURNOVER	2	8,247	—	13,827	3,546
Cost of sales		<u>(8,175)</u>	<u>(33)</u>	<u>(12,776)</u>	<u>(3,276)</u>
Gross profit/(loss)		72	(33)	1,051	270
Other revenues		269	110	832	113
Selling and distribution costs		<u>(1,223)</u>	<u>(3)</u>	<u>(3,284)</u>	<u>(546)</u>
Administrative expenses		<u>(2,144)</u>	<u>(562)</u>	<u>(4,764)</u>	<u>(1,362)</u>
LOSS FROM OPERATING ACTIVITIES		(3,026)	(488)	(6,165)	(1,525)
Finance costs		<u>(7)</u>	<u>(919)</u>	<u>(120)</u>	<u>(1,543)</u>
LOSS BEFORE TAXATION		(3,033)	(1,407)	(6,285)	(3,068)
Taxation	3	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LOSS ATTRIBUTABLE TO SHAREHOLDERS		<u>(3,033)</u>	<u>(1,407)</u>	<u>(6,285)</u>	<u>(3,068)</u>
LOSS PER SHARE					
Basic	4	<u>(0.49 cents)</u>	<u>(0.67 cents)</u>	<u>(1.22 cents)</u>	<u>(2.25 cents)</u>

Notes:

1. Basis of preparation

The results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention.

The accounting policies and methods of computation adopted in the preparation of their unaudited consolidated accounts are consistent with those set out in the annual financial statements for the year ended 30 June 2007. The Consolidated results are unaudited but have been reviewed by the Company’s audit committee.

2. Turnover, revenues and segment information

Turnover represents licensing fee income and the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group’s turnover and revenues is as follows:

	For the three months ended 31 March 2008 (unaudited) HK\$’000		For the nine months ended 31 March 2008 (unaudited) HK\$’000	
		2007 (unaudited) HK\$’000		2007 (unaudited) HK\$’000
Turnover — licensing of film rights	8,113	—	13,693	3,546
— artiste management	134	—	134	—
Other revenues	269	110	832	113
Total revenues	<u>8,516</u>	<u>110</u>	<u>14,659</u>	<u>3,659</u>

The Group is principally engaged in the production of video and films, and licensing of video and copyrights/film rights and artiste management.

3. Taxation

No Hong Kong profits tax has been provided as there are no assessable profits arising in Hong Kong for the three months and nine months ended 31 March 2008 (2007: Nil).

The Group has no material unprovided deferred taxation for the three months and nine months ended 31 March 2008 (2007: Nil).

4. Loss per share

The basic loss per share for the three months and nine months ended 31 March 2008 are calculated based on the unaudited consolidated loss attributable to shareholders of the Company for the three months and nine months ended 31 March 2008 of approximately losses of HK\$3,033,000 and HK\$6,285,000 respectively (2007: approximately HK\$1,407,000 and HK\$3,068,000 respectively) and on a weighted average number of 625,000,000 shares and 513,727,273 shares in issue during the periods respectively (2007: 210,000,000 and 136,131,387 shares respectively).

Diluted loss per share for the three months and nine months ended 31 March 2008 and 2007 has not been disclosed as no diluting event existed during these periods.

5. Share premium and reserves

	Share premium HK\$’000	Capital reserve HK\$’000	Accumulated losses HK\$’000	Total HK\$’000
At 1 July 2006	18,940	17,590	(68,503)	(31,973)
Issuing expenses	(449)	—	—	(449)
Loss for the period	—	—	(3,068)	(3,068)
At 31 March 2007	<u>1891</u>	<u>17,590</u>	<u>(71,571)</u>	<u>(35,490)</u>
At 1 July 2007	18,425	17,590	(74,623)	(38,608)
Proceeds net of issuing expenses from share issue	10,038	—	—	10,038
Loss for the period	—	—	(6,285)	(6,285)
At 31 March 2008	<u>28,463</u>	<u>17,590</u>	<u>(80,908)</u>	<u>(34,855)</u>

6. Dividends

The Directors do not recommend the payment of an interim dividend for the three months and nine months ended 31 March 2008 (2007: Nil).

7. Share subdivision

Pursuant to an ordinary resolution passed in an extraordinary general meeting on 31 March 2008, with effective from 1 April 2008, the issued and unissued shares of HK\$0.2 each in the share capital of the Company were subdivided into 20 shares of HK\$0.01 each. After the share subdivision, the authorised share capital of the Company was maintained at HK\$400,000,000 comprising 40,000,000,000 shares of HK\$0.01 each and the issued share capital was maintained at HK\$125,000,000 comprising 12,500,000,000 shares of HK\$0.01 each.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's unaudited turnover for the nine months ended 31 March 2008 amounted to approximately HK\$13,827,000 (2007: approximately HK\$3,546,000), representing around 3.9 times increase when compared to last year. During the period, the Group launched a total of four films namely "Naraka 19", "The pye-dog", "Playboy cops" and "An empress and the warriors". "The pye-dog" has received a number of awards in international film festivals.

During the period, the Group also completed a fund raising exercise through share placement of 300,000,000 new shares of the Company which has raised funds of approximately HK\$70 million. With the introduction of the new subscribers, the shareholder base and working capital of the Group has been further improved and enhanced.

PROSPECTS

The Group will continue to engage in co-production projects with Chinese studios in the Mainland. Under such arrangement, our movies would be able to share the Box Office Revenue in the Mainland instead of just receiving a fixed buyout price.

On the artist management aspect, the Group will continue to seek for potential artists and performers in order to build up a talent pool from which all future productions would be benefited.

The Management would continue to seek and invest into high potential projects from creative talents in Hong Kong, Taiwan and Mainland, aiming to generate high quality entertainment contents, thereby greatest profit and asset value for the Group and its shareholders.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2008, the interests or short positions of the Directors in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were deemed or taken to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares of the Company

Name of director	Corporate interest	Percentage of shareholding
Mr. Li Kuo Hsing	14,320,000*	2.29%

* Mr. Li Kuo Hsing has personal, family and corporate interests of approximately 51% equity interests in Mei Ah Entertainment Group Limited, which owns 2.29% equity interests of the Company.

Save as disclosed above, the Directors do not have any interests or short positions in the shares of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Share option scheme" below, at no time during the period under review was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

On 22 July 2002, a share option scheme (the "Scheme") was approved by the Company. The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors of the Company or any of its subsidiaries, independent non-executive Directors and employees of the Group, and suppliers of goods or services to the Group.

No share option has been granted by the Company under the Scheme up to the date of this announcement.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

So far is known to any Director of the Company, as at 31 March 2008, shareholders (other than Directors of the Company) who had interests or short positions in the securities of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly and indirectly interested in 5% or more of the issued share capital of the Company, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of substantial shareholder	Number of shares interested	Percentage of issued share capital	Number of shares interested	Percentage of issued share capital
	— Long position		— Short position	
Wen Rui Feng Brandon	130,000,000	20.80	110,000,000 ⁽⁴⁾	17.6
Li Hongrong	110,000,000 ^{(1), (4)}	17.60	—	—
Tread Up Investments Limited	110,000,000 ^{(1), (4)}	17.60	—	—
Chan Kwok Keung, Charles	53,488,000 ⁽²⁾	8.55	—	—
ITC Corporation Limited	53,488,000 ⁽²⁾	8.55	—	—
Ng Yuen Lan Macy	53,488,000 ⁽²⁾	8.55	—	—
Famex Investment Limited	38,000,000 ⁽³⁾	6.08	—	—
Hanny Holdings Limited	38,000,000 ⁽²⁾	6.08	—	—
Hanny Magnetics (B.V.I.) Limited	38,000,000 ⁽³⁾	6.08	—	—
ITC Investment Holdings Limited	38,000,000 ⁽³⁾	6.08	—	—
Mankar Assets Limited	38,000,000 ⁽³⁾	6.08	—	—
Richeast Holdings Limited	38,000,000 ⁽³⁾	6.08	—	—
Ma Ho Man Hoffman	37,000,000	5.92	—	—
Shineidea Limited (controlled corporation of See Corporation Limited)	17,081,651	5.26	—	—

(1) Refer to the same parcel of shares

(2) Refer to the same parcel of shares

(3) Refer to the same parcel of shares

(4) Positions held pursuant to physically settled and unlisted equity derivatives

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the three months and nine months ended 31 March 2008.

On behalf of the Board
Li Kuo Hsing
Chairman

Hong Kong, 13 May 2007

The Board comprises of:

Mr. Li Kuo Hsing (*Executive Director*)

Mr. Tong Hing Chi (*Executive Director*)

Mr. Zhuo Wu (*Executive Director*)

Dr. Yap, Allan (*Executive Director*)

Mr. Chan Kwok Sun, Dennis (*Executive Director*)

Mr. Lam Kin Kau, Mark (*Independent Non-executive Director*)

Mr. Law Kwok Leung (*Independent Non-executive Director*)

Mr. Fung Wing Keung (*Independent Non-executive Director*)