

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Focus Media Network Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

- 2** Management Discussion and Analysis
- 7** Highlights
- 8** Unaudited Condensed Consolidated Statement of Comprehensive Income
- 9** Unaudited Condensed Consolidated Statement of Changes in Equity
- 10** Notes to the Financial Information
- 13** Other Information

Management Discussion and Analysis

Business Review & Prospects

Focus Media Network Limited (the “Company”) together with its subsidiaries (collectively the “Group”) is a well-established digital Out-of-Home (“OOH”) media company in Hong Kong and Singapore, with an operating history since April 2004. We had pioneered the concept of creating a sizeable network of flat-panel displays in elevator lobbies of office and commercial buildings to sell advertisement. In terms of the number of venues in which we deploy our digital flat-panel displays, our Group is the largest digital OOH media company in Hong Kong and Singapore. As of 30 September 2015, our Group has deployed our flat-panel displays at 1,638 venues in Hong Kong and Singapore.

During the nine months ended 30 September 2015, the number of venues in which our Group deployed our flat-panel displays continued to experience growth over the corresponding period of the previous year.

Region	Network	Nine months ended 30 September 2015	Nine months ended 30 September 2014	% Change
Hong Kong	Office and Commercial Network	612	624	-2%
Hong Kong	In-store Network (Mannings)	249	241	3%
Hong Kong	Residential Network	172	114	51%
Singapore	Office and Commercial Network	515	485	6%
Singapore	HDB Shopping Centres	21	21	0%
Singapore	In-store Network (Watsons)	69	87	-21%
Total number of venues		1,638	1,572	4%

Over the last decade, our Group has laid a solid foundation and established an infrastructure to leverage our core assets and resources of our Group’s relationships with our major partners — the real-estate developers. As of 30 September 2015, our Group has deployed our flat-panel displays at 1,127 buildings under our Office and Commercial Building digital OOH media network; at 318 retail chain-stores under our In-store digital OOH media network; and at 172 private residential complexes under our Residential digital OOH media network.

In Hong Kong, under our Static OOH Billboard media network, our Group continues to hold the exclusive advertising sales rights to both the Tsim Sha Tsui (“TST”) Interchange Subways and the Middle Road Subway (total three subways); this underground transport hub beneath one of the busiest tourists and business districts in Hong Kong connects the TST MTR station and the East TST MTR station. In addition, the Group continues to hold the exclusive advertising sales rights to the billboard along the super-long pedestrian walkway leading to Knutsford Terrace at TST. Knutsford Terrace has been dubbed the “Lan Kwai Fong” of Kowloon, a popular dining/nightlife place and an entertainment hub in the heart of TST, with a strip of international/local restaurants and bars catering to both locals and tourists.

In Singapore, under our large format LED OOH media network, our Group continues to hold the exclusive operating and advertising sales rights to the mega-size LED screen at One Raffles Place (“ORP”), fronting Raffles Green; ORP is one of the three tallest buildings in Singapore and is a beacon in the heart of Singapore’s financial district.

Management Discussion and Analysis (Continued)

As well, our Group continues to hold the exclusive advertising sales rights (for static and digital) to the new walkway at Orchard Gateway. It forms part of the underpass that links directly to the Somerset MRT station and also to both sides of Orchard Road. Orchard Gateway is the one-and-only shopping mall that straddles both sides of Orchard Road and is linked by a glass tubular bridge and an underpass — forming a “gateway” to the bustling shopping belt in Singapore. In addition, our Group had just in August 2015, been awarded the exclusive advertising sales rights to the external building wall of The Bharat Building. The Bharat Building is strategically located in the heart of Raffles Place.

Our Group will continue to pursue the expansion of our digital OOH media networks, adding progressively one venue at a time as well as pursue new static OOH sites under its Static OOH billboard media network.

Business Acquisition

In February 2012, we formed a digital media partnership with Youku Tudou Inc. (“YOKU”), China’s largest online television company, to produce micro-movies for our clients for broadcast on the YOKU platform. Since then, our Group has been exploring possible strategies to further extend the Group’s media business, as well as identifying and acquiring suitable investment or business projects related to the field of mass media, film production and distribution, new media content production and entertainment related projects. In August 2015, our Group made our first accomplishment in this regard with the completion of our first-ever acquisition; the acquisition of Ricco Media Investments Limited (“RMI”) which, given the growth trend of the global film industry, our board is of the view that the acquisition is a superb opportunity for our Group to expand our business and revenue source.

RMI is an investment holding company which indirectly holds a 75% equity interest in Stan Lee Global Entertainment, LLC (“SLGE”). SLGE is engaged in the business of film development, production and distribution and currently holds over 30 intellectual property rights for motion picture development in the form of concept, treatment and/or film script among which three are already in the development phases with a view to commence official filming in the next two years. The three motion picture projects being developed are The Annihilator (written by Jim Hecht of “Ice Age:Melt Down” and “Thundercats”), Realm (written by Alex Litvak of “The Three Musketeers” and “Predators”), and Replicator & Antilight (written by Chris Shafer and Paul Vicknair of “Before We Go” and “Playing It Cool”).

The remaining 25% equity interest of SLGE is owned by POW! Entertainment, Inc. (“POW!”). Mr. Stan Lee (“Stan”) is the chairman and chief creative officer of POW!. Our Group understands that Stan is known to many as the co-creator of many Marvel superheroes. Stan’s co-creations include Spider-Man™, The Incredible Hulk™, X-Men™, The Fantastic Four™, Iron Man™, Avengers™* and many others. Our Group also understands that Stan has created numerous new characters and stories in areas including publishing, film, television reality, stage, documentary, and multimedia.

POW! is a multimedia production and licensing company that creates and licenses animated and live-action fantasy and superhero entertainment content and merchandise, leveraging the creative output and brand image of Stan. POW! develops Stan’s originally created projects for traditional entertainment media including feature length films in live action and animation, DVD, live entertainment, television programming, merchandising and new media such as online digital programming and video games.

* These are the registered trademarks and characters of Marvel Characters, Inc.

Management Discussion and Analysis (Continued)

Financial Review

(Unaudited) in HK\$ (including RMI)	Nine months ended 30 September 2015	Nine months ended 30 September 2014	% Change
Turnover	50,748,969	46,530,971	9%
Gross Profit	28,752,008	21,679,581	33%
EBITDA ^(Note 1)	(4,610,697)	(10,300,411)	N/A
Net Loss	(10,864,553)	(15,432,881)	N/A

(Unaudited) in HK\$ (excluding RMI)	Nine months ended 30 September 2015	Nine months ended 30 September 2014	% Change
Turnover	50,748,969	46,530,971	9%
Gross Profit	28,752,008	21,679,581	33%
EBITDA ^(Note 1)	(4,609,644)	(10,300,411)	N/A
Net Loss	(10,862,937)	(15,432,881)	N/A

Note 1: EBITDA represents earnings before finance costs, income tax, depreciation of property, plant and equipment, amortisation of equity-based compensation, share of losses of joint ventures, impairment of property, plant and equipment, gain on partial disposal of a joint venture, amortization of intangible assets and net of total comprehensive loss for the period attributable to non-controlling interests. While EBITDA is commonly used in the advertising and media industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

For the nine months ended 30 September 2015, our Group experienced a growth in turnover and gross profit over the corresponding period of the previous year. Turnover was approximately HK\$50.7 million, representing an increase of approximately 9%. Gross profit was approximately HK\$28.8 million, representing an increase of approximately 33%. Gross profit margin increased to 57% from 47%.

Our total operating expenses for the nine months ended 30 September 2015 were approximately HK\$38.7 million, representing an increase of approximately 1% over the corresponding period of the previous year.

As a result, our Group's negative EBITDA amounted to approximately HK\$4.6 million for the nine months ended 30 September 2015 as compared to negative EBITDA of approximately HK\$10.3 million for the corresponding period of the previous year.

For the reporting period, our Group recorded a loss attributable to shareholders of the Company of approximately HK\$10.2 million as compared to a loss attributable to shareholders of the Company of approximately HK\$15.4 million for the nine months ended 30 September 2014. The loss attributable to shareholders of the Company for three months ended 30 September 2015 was approximately HK\$1.7 million.

Dividend

The board of directors of the Company (the "Board") does not recommend the payment of any dividend for the nine months ended 30 September 2015 (2014: Nil).

Information on employees

As at 30 September 2015, our Group had 82 employees (30 September 2014: 73), including the executive Directors. Total staff costs (including Directors' emoluments) for the nine months ended 30 September 2015 were approximately HK\$19.8 million, including equity-based compensation, as compared to approximately HK\$19.2 million for the corresponding period of the previous year. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to our Group's performance as well as individual's performance. For the nine months ended 30 September 2015, no bonuses were paid to any employees or directors. Other staff benefits include contributions to Mandatory Provident Fund scheme in Hong Kong and Central Provident Fund in Singapore as well as share options.

Significant investments held

Except for investments in subsidiaries and joint ventures, as well as the investment in RMI as disclosed in the announcement of the Group dated 20 August 2015, our Group did not hold any significant investment in equity interest in any company during the nine months ended 30 September 2015.

Future plans for material investments and capital assets

Save as disclosed in the announcement of the Group dated 20 August 2015, our Group did not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

As disclosed in the Company's announcement dated 10 August 2015, and as reported in the Group's interim report for the six months ended 30 June 2015, the Company pursued a discloseable transaction to acquire the entire issued share capital of RMI involving (among others) the issue of consideration shares under the general mandate. As announced by the Company on 20 August 2015, completion of the discloseable transaction took place on that date. Upon completion, a total of 37,471,680 Consideration Shares were allotted and issued on 20 August 2015 in accordance with the terms and conditions of the Sale and Purchase Agreement. As a result, RMI has become a wholly-owned subsidiary of the Company. Please refer the Company's announcements dated 10 August 2015 and 20 August 2015 for details.

Management Discussion and Analysis (Continued)

Charges on assets

As at 30 September 2015, our Group did not have any charges on its assets (31 December 2014: Nil).

Contingent liabilities

Our Group had no material contingent liabilities as at 30 September 2015 (31 December 2014: Nil).

Highlights

- The Group's turnover for the nine months ended 30 September 2015 was approximately HK\$50.7 million, representing an increase of approximately 9% over the corresponding period of the previous year.
- The Group's gross profit for the nine months ended 30 September 2015 was approximately HK\$28.8 million, representing an increase of approximately 33% over the corresponding period of the previous year. Gross profit margin increased to 57% from 47%.
- The Group's total operating expenses for the nine months ended 30 September 2015 were approximately HK\$38.7 million, representing an increase of approximately 1% over the corresponding period of the previous year.
- The Group's negative EBITDA amounted to approximately HK\$4.6 million for the nine months ended 30 September 2015 as compared to negative EBITDA of approximately HK\$10.3 million for the corresponding period of the previous year.
- The Group recorded a loss attributable to shareholders of the Company of approximately HK\$10.2 million for the nine months ended 30 September 2015 as compared to a loss attributable to shareholders of the Company of approximately HK\$15.4 million for the nine months ended 30 September 2014. The loss attributable to shareholders of the Company for three months ended 30 September 2015 was approximately HK\$1.7 million.
- Loss per share for the nine months ended 30 September 2015 was HK cents 2.92 compared to loss per share of HK cents 4.7 for the corresponding period in the previous year.
- The Board does not recommend the payment of an interim dividend for the period.

Unaudited Third Quarterly Results

The Board is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2015 together with comparative unaudited figures for the corresponding period ended 30 September 2014, as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the nine months ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Turnover		20,319,500	18,861,412	50,748,969	46,530,971
Cost of sales		(7,989,193)	(10,024,340)	(21,996,961)	(24,851,390)
Gross profit		12,330,307	8,837,072	28,752,008	21,679,581
Other income		30,712	323,855	517,721	1,052,692
Administrative expenses		(13,124,195)	(11,438,188)	(38,726,308)	(38,190,576)
Operating loss		(763,176)	(2,277,261)	(9,456,579)	(15,458,303)
Finance costs		(710,308)	(8,529)	(717,226)	(23,125)
Share of (losses)/profits of joint ventures		(417,666)	49,774	(690,748)	48,547
Loss before income tax		(1,891,150)	(2,236,016)	(10,864,553)	(15,432,881)
Income tax expenses	3	—	—	—	—
Loss for the period		(1,891,150)	(2,236,016)	(10,864,553)	(15,432,881)
Other comprehensive loss for the period					
<i>Item that may be reclassified to profit or loss</i>					
— Currency translation differences		(1,392,418)	(321,396)	(1,737,582)	(90,795)
Total comprehensive loss for the period attributable to equity holders of the Company		(3,283,568)	(2,557,412)	(12,602,135)	(15,523,676)
Loss for the period attributable to:					
Owners of the Company		(1,699,828)	(2,227,375)	(10,236,010)	(15,424,240)
Non-controlling interests		(191,322)	(8,641)	(628,543)	(8,641)
		(1,891,150)	(2,236,016)	(10,864,553)	(15,432,881)
Total comprehensive loss for the period attributable to:					
Owners of the Company		(3,092,246)	(2,548,771)	(11,973,592)	(15,515,035)
Non-controlling interests		(191,322)	(8,641)	(628,543)	(8,641)
		(3,283,568)	(2,557,412)	(12,602,135)	(15,523,676)
Loss per share attributable to owners of the Company					
— Basic and diluted	5	HK cents (0.47)	HK cents (0.68)	HK cents (2.92)	HK cents (4.70)

Unaudited Condensed Consolidated Statement of Changes In Equity

For the nine months ended 30 September 2015

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Exchange reserve	Warrant reserve	Share option reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31 December 2013 and 1 January 2014, audited	3,280,000	274,344,873	(176,467,450)	(293,925)	67,900	4,320,047	(31,395,958)	73,855,487	—	73,855,487
Changes in equity for the nine months ended 30 September 2014										
Comprehensive loss										
Loss for the period	—	—	—	—	—	—	(15,424,240)	(15,424,240)	(8,641)	(15,432,881)
Other comprehensive loss										
Currency translation differences	—	—	—	(90,795)	—	—	—	(90,795)	—	(90,795)
Total comprehensive loss	—	—	—	(90,795)	—	—	(15,424,240)	(15,515,035)	(8,641)	(15,523,676)
Transactions with owners										
Share option scheme	—	—	—	—	—	110,198	—	110,198	—	110,198
Non-controlling interests	—	—	—	—	—	—	—	—	30	30
Total transactions with owners	—	—	—	—	—	110,198	—	110,198	30	110,228
Balance at 30 September 2014, unaudited	3,280,000	274,344,873	(176,467,450)	(384,720)	67,900	4,430,245	(46,820,198)	58,450,650	(8,611)	58,442,039
Balance at 31 December 2014 and 1 January 2015, audited	3,280,000	274,344,873	(176,467,450)	(1,140,843)	67,900	4,455,455	(44,389,291)	60,150,644	(189,338)	59,961,306
Changes in equity for the nine months ended 30 September 2015										
Comprehensive loss										
Loss for the period	—	—	—	—	—	—	(10,236,010)	(10,236,010)	(628,543)	(10,864,553)
Other comprehensive loss										
Currency translation differences	—	—	—	(1,737,582)	—	—	—	(1,737,582)	—	(1,737,582)
Total comprehensive loss	—	—	—	(1,737,582)	—	—	(10,236,010)	(11,973,592)	(628,543)	(12,602,135)
Transactions with owners										
Issue of shares	543,641	66,597,718	—	—	—	—	—	67,141,359	—	67,141,359
Total transactions with owners	543,641	66,597,718	—	—	—	—	—	67,141,359	—	67,141,359
Balance at 30 September 2015, unaudited	3,823,641	340,942,591	(176,467,450)	(2,878,425)	67,900	4,455,455	(54,625,301)	115,318,411	(817,881)	114,500,530

Notes to the Financial Information

For the nine months ended 30 September 2015

1 General information

The Company was incorporated in the Cayman Islands on 28 January 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of out-of-home advertising services and other services in Hong Kong and Singapore.

The Company has its primary listing on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This condensed consolidated third quarterly financial information has been reviewed, not audited.

2 Basis of preparation and principal accounting policies

The unaudited condensed consolidated third quarterly financial information for the nine months ended 30 September 2015 (the "Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on GEM on the Stock Exchange (the "GEM Listing Rules").

The Third Quarterly Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The Third Quarterly Financial Information is presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

(a) Going concern

As at 30 September 2015, the Group has an outstanding loan of HK\$50 million being part of the consideration for the acquisition of RMI (the "Loan"). The Loan shall be due on 16 November 2015. The Company is currently in discussion with the lender to extend the Loan (which the lender has given in-principle conditional approval for an extension) as well as with other interested parties to refinance the Loan.

The Company had on 3 June 2015 made an application to the Stock Exchange for the proposed issuance of convertible notes in the amount of HK\$400 million under specific mandate. On 16 October 2015 the Stock Exchange rejected the Company's application and on 31 October 2015, the subscription agreement for the convertible notes expired. As per the Company's announcement dated 3 November 2015, the Company is currently reviewing the Stock Exchange's decision and will vigorously explore alternative financing options to repay the Loan and to meet HK\$318 million capital commitment made to POW! for SLGE to finance the development of the three motion picture projects as discussed under Management Discussion and Analysis. In the event the Company's future fund raising applications to the Stock Exchange is not granted, the Group may not be able to continue to operate as a going concern.

2 Basis of preparation and principal accounting policies (Continued)

- (b) The following new HKFRSs are mandatory for the first time for the financial period on 1 January 2015. The adoption of the standards have no material effect on the Group's results and financial position:

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvements 2010–2012 Cycle
Annual Improvements Project	Annual Improvements 2011–2013 Cycle

- (c) The following new or revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the period ended 30 September 2015 and which the Group has not early adopted:

		Effective for annual periods beginning on or after
Annual Improvements Project	Annual Improvements 2012–2014 Cycle	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statement	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018

Apart from the above, a number of improvements and minor amendments to HKFRS have also been issued by the HKICPA but they are not yet effective for the accounting period ended 30 September 2015 and have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretation would be in the period of initial application, but not yet in a position to state whether they would have a significant impact to the Group's results and financial position.

3 Income tax expenses

No provision for Hong Kong and Singapore profits tax has been made in these third quarterly financial information as the Group has no assessable profits for the nine months ended 30 September 2015 (2014: Same). The profits tax rates for Hong Kong and Singapore are 16.5% (2014: 16.5%) and 17% (2014: 17%) respectively.

Notes to the Financial Information (Continued)

For the nine months ended 30 September 2015

4 Dividends

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2015 (2014: Nil).

5 Loss per share

Basic

Basic loss per share for the nine months ended 30 September 2015 and 2014 are calculated by dividing the results attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the periods.

	(Unaudited)	
	Nine months ended	
	30 September	
	2015	2014
	HK\$	HK\$
Loss attributable to equity holders of the Company (HK\$)	(10,236,010)	(15,424,240)
Weighted average number of shares in issue	349,990,161	328,000,000
Basic loss per share	HK cents (2.92)	HK cents (4.70)

Diluted

Diluted loss per share is the same as the exercise of the outstanding shares options would be anti-dilution (2014: same).

6 Approval of the unaudited condensed consolidated third quarterly financial information

The unaudited condensed consolidated third quarterly financial information was approved by the Board on 9 November 2015.

Other Information

Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive is taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the ordinary shares and underlying shares of the Company

Name of directors	Interests in ordinary shares			Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	% of the Company's issued share capital
	Personal interests	Family interests	Corporate interests				
Wong Hong Gay Patrick Jonathan	—	—	169,026,600 (Note 1)	169,026,600	328,000*	169,354,600	44.29%
Ngan Toi Yuk	656,000	—	—	656,000	2,296,000*	2,952,000	0.77%
Lee Sze Leong	—	—	—	—	1,968,000*	1,968,000	0.51%
Chee Huiling Audrey	248,400	—	—	248,400	—	248,400	0.06%
Chan Tsze Wah	—	—	—	—	328,000*	328,000	0.09%
Rosenkranz Eric Jon	440,000	—	—	440,000	—	440,000	0.12%
Chan Chi Keung Alan	—	—	—	—	328,000*	328,000	0.09%

* Being personal interests attributable to interests in the share options granted by the Company pursuant to its Pre-IPO Share Option Scheme and Share Option Scheme adopted on 26 March 2011.

Notes:

- These shares are directly held by iMediaHouse Asia Limited which is owned as to approximately 67.09% by iMediaHouse.com Limited which is in turn wholly-owned by Mr. Wong Hong Gay Patrick Jonathan ("Mr. Wong"). Mr. Wong is therefore deemed to be interested in these shares by virtue of the SFO.
- For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 382,364,080 shares in issue as at 30 September 2015.

Other Information (Continued)

Save as disclosed above, as at 30 September 2015, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the required standard of dealings by the directors to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company

As at 30 September 2015, as far as the Directors or chief executives of the Company are aware, the following persons (other than Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the ordinary shares of the Company

Name of shareholders	Capacity	Number of shares held	Approximate percentage of shareholding in the Company
iMediaHouse Asia Limited (Notes 1 & 2)	Beneficial owner	169,026,600	44.21%
iMediaHouse.com Limited (Notes 1 & 2)	Interest of controlled corporation	169,026,600	44.21%
Ji Xiaobo (Note 2)	Beneficial owner	169,026,600	44.21%
Ricco Media (Holdings) Limited (Notes 3 & 4)	Beneficial owner	37,471,680	9.80%
Ricco Capital (Holdings) Limited (Notes 3 & 4)	Interest of controlled corporation	37,471,680	9.80%
Wu Siu Chung (Notes 3 & 4)	Interest of controlled corporation	37,471,680	9.80%
Trade Grand International Limited (Notes 5 & 6)	Beneficial owner	30,750,000	8.04%
Wong's Industrial (Holdings) Limited (Notes 5 & 6)	Interest of controlled corporation	30,750,000	8.04%
Catel (B.V.I.) Limited (Notes 5 & 6)	Interest of controlled corporation	30,750,000	8.04%
Wong's International Holdings Limited (Notes 5 & 6)	Interest of controlled corporation	30,750,000	8.04%
Ho Siu Ping	Beneficial owner	19,390,000	5.07%

Notes:

1. These shares are directly held by iMediaHouse Asia Limited (“iMHA”) which is owned as to approximately 67.09% by iMediaHouse.com Limited (“iMH”). iMH is therefore deemed to be interested in these shares by virtue of the SFO. These shares have been pledged.
2. The interests of iMH, iMHA and Mr. Ji Xiaobo are duplicated.
3. These shares are directly held by Ricco Media (Holdings) Limited (“RML”) which is wholly owned by Ricco Capital (Holdings) Limited (“RCL”), which is in turn wholly owned by Mr. Wu Siu Chung (“Mr. Wu”). RCL and Mr. Wu are therefore deemed to be interested in these shares by virtue of the SFO.
4. The interests of RCL, RML and Mr. Wu are duplicated.
5. These shares are directly held by Trade Grand International Limited (“TGIL”) which is wholly owned by Wong’s Industrial (Holdings) Limited (“WIHL”), which is in turn wholly owned by Catel (B.V.I.) Limited (“Catel”). Catel is wholly owned by Wong’s International Holdings Limited (“Wong’s International”). WIHL, Catel and Wong’s International are therefore deemed to be interested in these shares by virtue of the SFO.
6. The interests of TGIL, WIHL, Catel and Wong’s International are duplicated.
7. For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 382,364,080 shares in issue as at 30 September 2015.

Save as disclosed under the section headed “Directors’ and Chief Executives’ Interests or Short Positions in Shares, Underlying Shares and Debentures” and this section, at 30 September 2015, no other person had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the nine months ended 30 September 2015, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company’s listed securities.

Competition and Conflict of Interests

During the nine months ended 30 September 2015, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

Code of Conduct For Securities Transactions By Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 30 September 2015.

Other Information (Continued)

Corporate Governance Practices

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

During the nine months ended 30 September 2015, the Company had complied with the code provisions (“Code Provisions”) set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules, except for Code Provision A.2.1.

Code Provision A.2.1 provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company are both currently carried on by Mr. WONG Hong Gay Patrick Jonathan. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

Audit Committee

The Company has established an audit committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and removal of external auditors; review the financial statements and provide material advice in respect of financial reporting; and oversee internal control procedures of the Company. The audit committee comprises three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan (chairman of the audit committee), Mr. Rosenkranz Eric Jon and Mr. Chan Chi Keung Alan.

The unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2015 have not been audited by the Company’s auditor, PricewaterhouseCoopers, but have been reviewed by the audit committee of the Company, which is of the opinion that the third quarterly financial information comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board
Focus Media Network Limited
Wong Hong Gay Patrick Jonathan
Chairman, CEO and Executive Director

Hong Kong, 9 November 2015

As at the date of this report, the executive Directors are Mr. Wong Hong Gay Patrick Jonathan, Ms. Ngan Toi Yuk, Ms. Chee Hui Ling Audrey and Mr. Lee Sze Leong; the non-executive Director is Mr. Chan Tsze Wah; and the independent non-executive Directors are Mr. Chan Ming Sun Jonathan, Mr. Rosenkranz Eric Jon and Mr. Chan Chi Keung Alan.

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