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FOCUS MEDIA NETWORK



Combining Venture Capital and Entrepreneurs

FOCUS MEDIA NETWORK LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8112)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders as at 3 July 2012.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of Focus Media Network Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 3 July 2012.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by Securities and Futures Commission (the “**SFC**”) on 24 July 2012. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 3 July 2012, 12 Shareholders held an aggregate of 59,081,400 shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”), representing 18.01% of the issued Shares. Such shareholding, together with 262,194,600 Shares (representing 79.94% of the issued Shares) held aggregately by 3 substantial shareholders of the Company, represented 97.95% of the issued Shares as at 3 July 2012. Therefore, only 6,724,000 Shares (representing 2.05% of the issued Shares) were held by other shareholders.

As disclosed in the SFC Announcement, as at 3 July 2012, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
iMediahouse Asia Limited <i>(Note 1)</i>	169,026,600	51.53
Trade Grand International Limited <i>(Note 2)</i>	61,500,000	18.75
Asia Private Credit Fund Limited <i>(Note 3)</i>	31,668,000	9.66
A group of 12 shareholders <i>(Note 4)</i>	59,081,400	18.01
Other shareholders	<u>6,724,000</u>	<u>2.05</u>
Total	<u><u>328,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. iMediahouse Asia Limited is owned as to approximately 65.08% by iMediaHouse.com Limited which is in turn owned as to approximately 75.30% by Mr. Wong Hong Gay Patrick Jonathan (Chairman, CEO and Executive Director of the Company).
2. Trade Grand Investment Limited is wholly owned by Wong's Industrial (Holdings) Limited, which is in turn wholly owned by Catel (B.V.I) Limited ("Catel"). Catel is wholly owned by Wong's International (Holdings) Limited (Stock code: 99).
3. The shares are directly held by Flying Wonder Limited which is wholly owned by Asia Pacific Credit Fund Limited. Asia Private Credit Fund Limited initially obtained 21,668,000 Shares through the Placing of the Company in July 2011.
4. 17,032,000 Shares (representing 5.19% of the issued Shares) were held by 3 shareholders who initially obtained 12,232,000 Shares through the Placing of the Company in July 2011.

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and the Company has not verified such information and is also not in a position to comment on its accuracy. As well, as at the date of this announcement, the Company has not been informed of the identity of the group of 12 shareholders as mentioned in the SFC Announcement. The Company however, having made all reasonable enquiries and to the best knowledge of the Company, confirms that as of 3 July 2012 the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
iMediahouse Asia Limited <i>(Note 1)</i>	169,026,600	51.53
Trade Grand International Limited <i>(Note 2)</i>	61,500,000	18.75
Asia Private Credit Fund Limited <i>(Note 3)</i>	31,668,000	9.66
A group of 2 shareholders <i>(Note 4)</i>	15,473,400	4.72
Other shareholders	<u>50,332,000</u>	<u>15.34</u>
Total	<u><u>328,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. iMediahouse Asia Limited is owned as to approximately 65.08% by iMediaHouse.com Limited which is in turn owned as to approximately 75.30% by Mr. Wong Hong Gay Patrick Jonathan (Chairman, CEO and Executive Director of the Company).
2. Trade Grand Investment Limited is wholly owned by Wong’s Industrial (Holdings) Limited, which is in turn wholly owned by Catel (B.V.I) Limited (“Catel”). Catel is wholly owned by Wong’s International (Holdings) Limited (Stock code: 99).
3. The shares are directly held by Flying Wonder Limited which is wholly owned by Asia Pacific Credit Fund Limited. Asia Private Credit Fund Limited initially obtained 21,668,000 Shares through the Placing of the Company in July 2011.
4. 15,473,400 Shares (representing 4.72% of the issued Shares) were held by 2 shareholders who subscribed to all of these Shares prior to the Placing of the Company in July 2011.

Therefore, as of 3 July 2012, 3 Shareholders held an aggregate of 47,141,400 Shares, representing 14.38% of the issued Shares. Such shareholding, together with 230,526,600 Shares (representing 70.28% of the issued Shares) held aggregately by 2 substantial shareholders of the Company, represented 84.66% of the issued Shares as at 3 July 2012. Therefore, 50,332,000 Shares (representing 15.34% of the issued Shares) were held by other shareholders.

The SFC further published in the SFC Announcement that the Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 28 July 2011 by way of placing a total of 82,000,000 Shares (25% of issued Shares) at \$0.72 per share. Share price of the Company closed at \$0.75 on its first day of listing. Between 30 April 2012 and 15 June 2012, share price of the Company increased significantly by 75.5% from \$0.94 to close at an all time high of \$1.65, an increase of 129.2% from its placing price. During this period, the Company announced its First Quarterly Results on 8 May 2012 which reported a loss attributable to shareholders of approximately \$8.3 million for the 3 months ended 30 March 2012 as compared to a loss of \$2.9 million over the corresponding period of the previous year. Share price then eased slightly and closed at \$1.41 on 20 July 2012, but still representing an increase of 95.8% from its placing price.

The Board wishes to confirm the above information extracted from the SFC Announcement to be factual but is not in a position to comment on the reason(s) for the movement of its share price. The Company however wishes to highlight an event that took place on 13 April 2012 (after trading hours); that the Company made a voluntary announcement of a non-legally binding memorandum of understanding in respect of a potentially very substantial acquisition of a target, conditional upon the Company assembling the required funds for the proposed acquisition. The target, one of the early pioneers of the out-of-home advertising industry, has an operating history of over two decades and owns an extensive portfolio of outdoor space in Hong Kong for the provision of multi-channel out-of-home advertising services. On 16 April 2012, the first trading day after the announcement, share price of the Company increased by 46.34% from \$0.82 to an intra-day high of \$1.20 (an increase of 66.67% from its placing price) and eventually closed at \$0.99.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board, as at 3 July 2012 and the date of this announcement, iMediahouse Asia Limited and Trade Grand International Limited (being the two substantial shareholders of the Company), held 230,526,600 Shares, representing approximately 70.28% of the issued Shares.

Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, the Company confirms that not less than 25% of the issued Shares are held in public hands as at the date of this announcement and the Company has maintained a sufficient public float as required under the GEM Listing Rules.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.

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

Hong Kong, 25 July 2012

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. WONG Hong Gay Patrick Jonathan
Ms. NGAN Toi Yuk
Mr. TAM Kai Kwong Eric
Mr. LEE Sze Leong

Non-executive Director:

Mr. CHAN Tsze Wah

Independent non-executive Directors:

Mr. ROSENKRANZ Eric Jon
Mr. LIEN Jown Jing Vincent
Mr. CHAN Chi Keung Alan

This announcement, 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 (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.focusmedia.tv.