

**FOCUS MEDIA NETWORK LTD:
THIS IS A SMALLISH COMPANY, DESTINED TO REMAIN AS SUCH**

The Placing Price Is Sky High

About 29 percent of the gross proceeds from the flotation of Focus Media Network Ltd (Code: 8112, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) will be paid to CIMB Securities (Hongkong) Ltd ([]), the Sole Sponsor of the Initial Public Offering (IPO), and Pacific Foundation Securities Ltd (), the Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager of the IPO, solicitors, accountants and other professionals.

This is made very clear at Page 185 of the Placing Prospectus of this Company, which was issued and disseminated on or about June 30, 2011.

At this Page, it is stated, under the heading of '**COMMISSION AND EXPENSES**':

'The Underwriter is expected to receive an underwriting commission of 6% of the aggregate Placing Price of all the Placing Shares in accordance with the terms of the Underwriting Agreement, under which the Underwriter may pay any sub-underwriting or placing commission in connection with the Placing. The Sole Sponsor will, in addition, receive a combined sponsorship, financial advisory and documentation fee of an amount separately agreed between the Company and CIMB. The aggregate fees and commission, together with the Stock Exchange listing fees, the Stock Exchange trading fee and SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Placing, are currently estimated to be approximately HK\$15.1 million in aggregate, assuming a Placing Price of HK\$0.63, being the midpoint of the indicative Placing Price range, which will be payable by us.'

TARGET () cannot recall the time that an underwriter of an **IPO** had ever demanded anything near 6 percent as an Underwriting Commission.

Times are tough, one must appreciate, and so professionals are able to up the ante for their services.

After all, the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) still embraces a laissez-faire economy, doesn't it?

Focus Media Network Ltd is Placing a total of 82 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of 54 cents and a high of 72 cents.

At the midway point of the Indicative Placing Price Per Share (63 cents), the Company will net about \$HK36.60 million.

That amount of money will be utilised for the following purposes:

1. About \$HK15.40 million '*for increasing our market share. We plan to expand advertiser base, increase advertisers' advertising spending, increase number of repeat advertisers, expand network coverage and acquire media companies in the OOH sector ...*';
2. About \$HK8.80 million '*for increasing the efficiency of our sales and delivery ...*';
3. About \$HK6.50 million '*for developing new product lines*';

4. About \$HK2.20 million '*for increasing the effectiveness of marketing and personal relations ...*'; and,
5. About \$HK3.70 million to be used as additional Working Capital. ... [CLICK TO ORDER FULL ARTICLE](#)

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