



Media Asia Group Holdings Limited
寰亞傳媒集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8075)

THIRD QUARTERLY REPORT

For the nine months ended 30 April 2014

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

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*This report, for which the directors of Media Asia Group Holdings Limited (“**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“**GEM Listing Rules**”) for the purpose of giving information with regard to Media Asia Group Holdings Limited. The Directors, 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.*

CORPORATE INFORMATION

PLACE OF INCORPORATION

Incorporated in the Cayman Islands and continued in Bermuda

BOARD OF DIRECTORS

Executive Directors

Lam Kin Ngok, Peter (*Chairman*)
Yu Feng
Choi Chiu Fai, Stanley
Jeffrey Soong
Lui Siu Tsuen, Richard
Chan Chi Kwong

Independent Non-executive Directors

Chan Chi Yuen
Ng Chi Ho, Dennis
Zhang Xi

AUDIT COMMITTEE

Chan Chi Yuen (*Chairman*)
Ng Chi Ho, Dennis
Zhang Xi

NOMINATION COMMITTEE

Zhang Xi (*Chairman*)
Chan Chi Yuen
Ng Chi Ho, Dennis
Jeffrey Soong
Lui Siu Tsuen, Richard

REMUNERATION COMMITTEE

Chan Chi Yuen (*Chairman*)
Ng Chi Ho, Dennis
Zhang Xi
Jeffrey Soong
Lui Siu Tsuen, Richard

AUTHORISED REPRESENTATIVES

Lui Siu Tsuen, Richard
Chung Yim Hung Eliza

COMPLIANCE OFFICER

Lui Siu Tsuen, Richard

COMPANY SECRETARY

Chung Yim Hung Eliza

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL OFFICE

11th Floor, Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

SOLICITORS

As to Hong Kong Law:
Cheung Tong & Rosa Solicitors

As to Bermuda Law:
Conyers Dill & Pearman

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

LISTING

The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

STOCK CODE/BOARD LOT

8075/4,000 shares

WEBSITE

www.mediaasia.com

THIRD QUARTERLY RESULTS

The board of directors (“Board”) of Media Asia Group Holdings Limited (“Company”) announces the unaudited consolidated results of the Company and its subsidiaries (“Group”) for the three months and the nine months ended 30 April 2014 together with the comparative unaudited figures for the corresponding periods in 2013 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
CONTINUING OPERATIONS					
TURNOVER	3	93,640	45,300	360,049	205,293
Cost of sales		(85,672)	(35,505)	(268,167)	(156,690)
Gross profit		7,968	9,795	91,882	48,603
Other income		5,573	759	11,609	4,931
Marketing expenses		(12,651)	(4,817)	(39,423)	(17,765)
Administrative expenses		(27,938)	(28,409)	(87,364)	(77,972)
Other operating gains		1,445	600	20,293	3,961
Other operating expenses		(278)	(1,252)	(43,299)	(13,948)
LOSS FROM OPERATING ACTIVITIES		(25,881)	(23,324)	(46,302)	(52,190)
Finance costs	4	(11,243)	(11,489)	(37,216)	(35,243)
Share of profits and losses of joint ventures		(1,330)	25	(4,720)	(155)
Share of profits and losses of an associate		(6)	—	(7)	—
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(38,460)	(34,788)	(88,245)	(87,588)
Income tax expense	5	138	(984)	(2,975)	(4,011)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(38,322)	(35,772)	(91,220)	(91,599)
DISCONTINUED OPERATION					
Loss for the period from a discontinued operation		—	(1,201)	—	(1,898)
LOSS FOR THE PERIOD		(38,322)	(36,973)	(91,220)	(93,497)
Attributable to:					
Owners of the Company		(37,551)	(36,851)	(92,773)	(92,624)
Non-controlling interests		(771)	(122)	1,553	(873)
		(38,322)	(36,973)	(91,220)	(93,497)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Basic and diluted (HK cents)	6		(restated)		(restated)
For loss for the period		(3.89)	(5.61)	(12.01)	(14.10)
For loss from continuing operations		(3.89)	(5.43)	(12.01)	(13.81)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	30 April		30 April	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(38,322)	(36,973)	(91,220)	(93,497)
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	(1,752)	1,124	1,438	1,485
Release of foreign currency translation reserve upon disposal of subsidiaries	257	—	(1,506)	—
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX	(1,495)	1,124	(68)	1,485
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(39,817)	(35,849)	(91,288)	(92,012)
Attributable to:				
Owners of the Company	(39,039)	(36,031)	(93,270)	(91,698)
Non-controlling interests	(778)	182	1,982)	(314)
	(39,817)	(35,849)	(91,288)	(92,012)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2014

	Attributable to owners of the Company								
	Issued capital	Share premium	Contributed surplus	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2013 (audited)	131,403	395,249	44,475	309,993	950	(443,014)	439,056	33,551	472,607
Loss for the period	—	—	—	—	—	(92,773)	(92,773)	1,553	(91,220)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	1,009	—	1,009	429	1,438
Release of foreign currency translation reserve upon disposal of subsidiaries	—	—	—	—	(1,506)	—	(1,506)	—	(1,506)
Total comprehensive income/(loss) for the period	—	—	—	—	(497)	(92,773)	(93,270)	1,982	(91,288)
Partial conversion of First Completion Convertible Notes before Capital Reorganisation	2,433	3,878	—	(1,321)	—	—	4,990	—	4,990
Capital Reorganisation	(127,144)	(395,249)	50,716	—	—	471,677	—	—	—
Partial conversion of First Completion Convertible Notes after Capital Reorganisation	2,189	87,891	—	(18,431)	—	—	71,649	—	71,649
Placing of new shares	1,322	78,954	—	—	—	—	80,276	—	80,276
Transaction costs of placing of new shares	—	(641)	—	—	—	—	(641)	—	(641)
Acquisition of a subsidiary	—	—	—	—	—	—	—	386	386
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	303	303
Dividend paid to a non-controlling shareholder of a subsidiary	—	—	—	—	—	—	—	(8,967)	(8,967)
Disposal of subsidiaries	—	—	—	—	—	—	—	(27,683)	(27,683)
At 30 April 2014 (unaudited)	10,203	170,082	95,191	290,241	453	(64,110)	502,060	(428)	501,632

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the nine months ended 30 April 2014

	Attributable to owners of the Company									
	Issued capital	Share premium	Contributed surplus	Capital reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2012 (audited)	131,403	395,249	44,475	309,993	5,030	5,461	(349,495)	542,116	26,805	568,921
Loss for the period	—	—	—	—	—	—	(92,624)	(92,624)	(873)	(93,497)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	926	—	926	559	1,485
Total comprehensive income/(loss) for the period	—	—	—	—	—	926	(92,624)	(91,698)	(314)	(92,012)
Equity-settled share option arrangements	—	—	—	—	334	—	—	334	—	334
Transfer of share-based payment reserve upon lapse of share options	—	—	—	—	(5,364)	—	5,364	—	—	—
At 30 April 2013 (unaudited)	131,403	395,249	44,475	309,993	—	6,387	(436,755)	450,752	26,491	477,243

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2014

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 February 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The Company's domicile was changed to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda on 3 December 2009. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's issued ordinary shares of HK\$0.01 each ("Shares") have been listed and traded on the GEM of the Stock Exchange since 31 May 2001.

The principal activity of the Company is investment holding. The Group's principal activities include film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television drama series; music production and publishing; provision of advertising services and consultancy services in planning and management of cultural, entertainment and live performance projects.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information has been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and applicable disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial information are consistent with those used in the audited consolidated financial statements of the Group for the year ended 31 July 2013. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2013.

The unaudited condensed consolidated financial information has not been audited by the Company's independent auditors, but has been reviewed by the Company's audit committee.

3. TURNOVER

An analysis of the Group's turnover from continuing operations during the three months and nine months ended 30 April 2014 is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Turnover				
Entertainment event income	47,482	23,315	178,102	147,522
Sales of video products, distribution commission income and licence fee income from film products and film rights	35,389	8,970	129,135	21,619
Album sales, licence income and distribution commission income from music publishing and licensing	6,229	6,212	18,247	15,335
Artiste management fee income	2,295	6,803	23,639	20,817
Advertising income	2,189	—	5,939	—
Licence fee income and distribution commission income of TV programs	56	—	4,987	—
	93,640	45,300	360,049	205,293

4. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Nine months ended 30 April	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Interest on:		
— First Completion Convertible Notes wholly repayable within five years	23,589	22,828
— Second Completion Convertible Notes wholly repayable within five years	13,627	12,415
	37,216	35,243

5. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made during the period under review as there were no assessable profits generated during the nine months ended 30 April 2014 (nine months ended 30 April 2013: Nil) in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Nine months ended 30 April	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	3,898	5,710
	3,898	5,710
Deferred tax credit for the period	(923)	(1,699)
Total tax expense for the period	2,975	4,011

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended 30 April		Nine months ended 30 April	
	2014	2013	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000

Loss

Loss attributable to owners of the Company used in the basic and diluted loss per share calculation:

From continuing operations	(37,551)	(35,650)	(92,773)	(90,726)
From a discontinued operation	—	(1,201)	—	(1,898)
	(37,551)	(36,851)	(92,773)	(92,624)

	Number of shares			
	Three months ended 30 April		Nine months ended 30 April	
	2014	2013	2014	2013
	(Unaudited) '000	(Unaudited) '000	(Unaudited) '000	(Unaudited) '000
		(Restated)		(Restated)

Shares

Weighted average number of ordinary shares in issue used in the basic and diluted loss per share calculation

	965,843	657,013	772,773	657,013
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Basic and diluted loss per share (HK cents):

— For loss for the period	(3.89)	(5.61)	(12.01)	(14.10)
— For loss from continuing operations	(3.89)	(5.43)	(12.01)	(13.81)

The weighted average number of ordinary shares in issue used in the basic and diluted loss per share calculation for the three months and nine months ended 30 April 2014 and 2013 have been adjusted for the capital reorganisation (“**Capital Reorganisation**”) during the period as detailed in the Company’s circular dated 13 December 2013.

No adjustment has been made to the basic loss per share amounts presented for three months and nine months ended 30 April 2014 and 2013 in respect of a dilution as the impact of the share options, First Completion Convertible Notes and Second Completion Convertible Notes outstanding during the periods had an anti-dilutive effect on the basic loss per share amounts presented.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 April 2014 (nine months ended 30 April 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 30 April 2014 ("**Current Period**"), the Group recorded a turnover of approximately HK\$360,049,000, representing an increase of approximately 75% from approximately HK\$205,923,000 for the corresponding nine months ended 30 April 2013 ("**Corresponding Period**"), mainly due to the increase in revenue from the Group's film production and distribution and entertainment events business.

Cost of sales increased to approximately HK\$268,167,000 for the Current Period from approximately HK\$156,690,000 for the Corresponding Period. The Group's marketing expenses increased to approximately HK\$39,423,000 for the Current Period from approximately HK\$17,765,000 for the Corresponding Period. The increase in the abovementioned expenses was due to the increase in the operation activities of the Group. Administrative expenses increased to approximately HK\$87,364,000 for the Current Period from approximately HK\$77,972,000 for the Corresponding Period. These expenses were under strict control by the Company's management. Other operating gains were approximately HKD20,293,000 for the Current Period, representing an increase of 412% from approximately HKD3,961,000 for the Corresponding Period. Other operating gains mainly included the gain on disposal of the subsidiaries and the share of net income from entertainment events organised by co-investors. Other operating expenses increased to approximately HKD43,299,000 for the Current Period from approximately HKD13,948,000 for the Corresponding Period. Other operating expenses mainly included the impairment of other receivables and property, plant and equipment.

Finance costs increased to approximately HK\$37,216,000 for the Current Period from approximately HK\$35,243,000 for the Corresponding Period. The increase in finance costs was mainly due to the increase in the recognition of interest expenses on the First Completion Convertible Notes and the Second Completion Convertible Notes.

Loss attributable to owners of the Company for the Current Period was approximately HK\$92,773,000 compared to that of approximately HK\$92,624,000 for the Corresponding Period. Basic loss per Share was approximately 12.01 HK cents compared to that of approximately 14.10 HK cents for the Corresponding Period. The weighted average number of ordinary shares in issue used in the basic loss per share calculation for the Current Period and the Corresponding Period had been adjusted for the Capital Reorganisation, which came into effect on 9 January 2014.

Business Review

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 63 (2013:80) shows by popular local Asian and internationally renowned artistes, including Super Junior, Girls' Generation, Andy Lau, Grasshopper x Softhard, Ekin Cheng, Jordan Chan, Michael Tse, Jerry Lamb, Chin Ka Lok, Denise Ho, Justin Lo, Anthony Wong, C AllStar and Yoga Lin. The total revenue from these concerts amounted to approximately HK\$178,102,000.

Music

During the Current Period, the Group released 21 (2013: over 20) albums, including titles by Sammi Cheng, Super Junior, C AllStar, Denise Ho, Mark Lui, Justin Lo, Anthony Wong and RubberBand. Turnover from music publishing and recording was approximately HK\$18,247,000.

Artiste management

During the Current Period, the Group recorded a turnover of approximately HK\$23,639,000 from artiste management. The Group currently has more than 30 artistes under its management.

Advertising

During the Current Period, the Group recorded a turnover of approximately HK\$5,939,000 from advertising business.

TV Program distribution

During the Current Period, the Group had made investments in production of 215 episodes of television dramas in the PRC which were expected to generate return to the Group in the coming financial year. The Group recorded a turnover of approximately HK\$4,987,000 from TV program license fee income and distribution commission income.

Film Production and Distribution Segment

During the Current Period, the Group released 6 films, namely “*One Night Surprise*”, “*The Wrath of Vajra*”, “*Control*”, “*Campus Confidential*”, “*As The Light Goes Out*” and “*The Truth About Beauty*”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$129,135,000.

Prospects

Entertainment market in China continues to grow at a robust pace and the Group has expanded its output to capitalize on this growth.

On films, the Chinese audience is increasingly demanding the type of quality productions the Group has been engaged in. During the recent “Hong Kong Film Market”, the largest Chinese movie industry gathering of the year, the Group announced its upcoming releases and production slate, including projects such as “*Don't Go Breaking My Heart 2*” by renowned director Mr. Johnnie To, and “*Helios*” by award winning directors Mr. Sunny Luk and Mr. Longman Leung. Other projects in the large slate that garnered major media attention included “*Triumph in the Skies*”, movie based on the popular TVB television series of the same name, and “*Monkey King Reloaded 3D*”, animated feature produced by Mr. Leon Lai. Furthermore, famed director and producer Mr. Gordon Chan has joined the Group and heads up the Film unit, to develop and produce more award winning projects.

The Group remains highly active on the live entertainment front during the period under review, with major concerts produced in Mainland China, Hong Kong and Macau. In addition, upcoming concerts featuring the Group's own artistes and major international artistes have been announced, including Big 4 in Las Vegas, and C AllStar in Macau. The Group continues to work with leading international companies such as Korea's SM Entertainment, to promote mega concerts such as MAMA, EXO, SM Town, etc.

On television, the Group has expanded its team both in Beijing and Shanghai, and industry veteran Mr. Tommy Leung has joined to head up the business unit, with an aim to increase activities in TV drama production and investment. Moreover, in the light of surging levels of involvement of major Chinese internet companies, the Group plans on increasing collaboration with leading Chinese portals and video web sites on TV program production and distribution.

On talent management, the Group expanded its Chinese artiste roster in the last period by way of both attracting established film and TV actors to join the Group, and by signing promising young artistes from leading schools and talent competitions. With a diverse platform of film, TV, music, and live events, the Group is able to create unparalleled career enhancing opportunities for its artistes and derive maximum commercial value out of such representation.

On music, the Group's releases by top artistes such as Sammi Cheng, Miriam Yeung, Denise Ho and Ellen Loo continue to top the charts and garner major awards. In Mainland China, the long awaited pay model for digital music is taking shape. Internationally, more recent entrants in the on-demand streaming business by heavyweights such as Apple, which reinvented the industry with iTunes years ago, has reaffirmed the value of music with consumers. With a vast and well-known Chinese music library including hits by Andy Lau, Anita Mui, and Leslie Cheung and continued output of new hits, the Group is ideally poised to capitalise on this new economic model.

In summary, the Group believes that its integrated media platform comprising film, TV, music, talent management, and live events presents the most balanced and synergistic approach to growing a Chinese entertainment powerhouse. The Group will continue to optimise its resources and strive towards this goal.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

At 30 April 2014, interests or short positions of the Directors, chief executives of the Company or their respective associates (as defined under the GEM Listing Rules) in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

(1) Interests in the Company

Name of Directors	Capacity in which interests are held	Long positions in the Shares and underlying Shares			Approximate percentage of total issued Shares (Note 1)
		Number of Shares	Number of underlying Shares	Total	
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	523,146,275	519,125,000 (Note 2)	1,042,271,275	102.15% (Note 3)
Mr. Yu Feng	Interest of controlled corporations	28,804,931	324,334,989 (Note 2)	353,139,920	34.61% (Note 4)
Mr. Choi Chiu Fai, Stanley	Interest of controlled corporations	—	24,604,644 (Note 2)	24,604,644	2.41% (Note 5)
Mr. Chan Chi Yuen	Beneficial owner	115,000	—	115,000	0.01%

(2) Interests in Associated Corporations

(a) eSun Holdings Limited (“eSun”)

Name of Directors	Capacity in which interests are held	Long positions in eSun shares and underlying shares of HK\$0.50 each			Approximate percentage of total issued shares
		Number of shares	Share options	Total	
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	512,890,186 (Note 6)			
	Beneficial owner	2,794,443	1,243,212 (Note 7)	516,927,841	41.58%
Mr. Lui Siu Tsuen, Richard	Beneficial owner	—	3,729,636 (Note 8)	3,729,636	0.30%
Mr. Chan Chi Kwong	Beneficial owner	—	1,500,000 (Note 9)	1,500,000	0.12%

(b) **Lai Fung Holdings Limited (“Lai Fung”)**

Long positions in Lai Fung shares and underlying shares of HK\$0.10 each

Name of Director	Capacity in which interests are held	Number of shares	Share options	Total	Approximate percentage of total issued shares
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	8,274,270,422 (Note 10)	16,095,912 (Note 11)	8,290,366,334	51.49%

Notes:

- (1) The total number of the issued Shares as at 30 April 2014 (that is, 1,020,336,870 Shares) has been used for the calculation of the approximate percentage.
- (2) These are underlying Shares comprised in the First Completion Convertible Notes issued by the Company on 9 June 2011 and/or underlying Shares comprised in the Second Completion Convertible Notes issued by the Company on 9 June 2012 pursuant to a subscription agreement dated 23 March 2011 and entered into between the Company and other parties for the subscription of certain shares in and convertible notes of the Company.
- (3)
 - (a) By virtue of the interest of Dr. Lam in his controlled corporations described in paragraph (b) immediately below, Dr. Lam was deemed to be interested in the Shares and underlying Shares owned indirectly by eSun as shown in the section headed **“SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES”** below pursuant to Part XV of the SFO.
 - (b) eSun is the Company’s ultimate holding company. As at 30 April 2014, eSun was indirectly owned as to approximately 41.26% by Lai Sun Development Company Limited (**“LSD”**). LSD was approximately 51.97% directly and indirectly owned by Lai Sun Garment (International) Limited (**“LSG”**). LSG was approximately 10.65% owned by Dr. Lam and approximately 29.99% owned by Wisdoman Limited which was in turn over 99.99% beneficially owned by Dr. Lam.
- (4)
 - (a) By virtue of the interest of Mr. Yu Feng (**“Mr. Yu”**) in his controlled corporations described in paragraph (b) immediately below, Mr. Yu was deemed to be interested in the Shares and underlying Shares owned by Next Gen Entertainment Limited (**“Next Gen”**) as shown in the section headed **“SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES”** below pursuant to Part XV of the SFO.
 - (b) Next Gen is a wholly-owned subsidiary of Yunfeng Fund, L.P., of which Mr. Yu is the founder and chairman. Mr. Yu is also the sole director of the aforesaid fund’s general partner.
- (5) By virtue of the interest of Mr. Choi Chiu Fai, Stanley (**“Mr. Choi”**) in his wholly-owned corporation, Grace Promise Limited (**“Grace Promise”**), Mr. Choi was deemed to be interested in the underlying Shares owned by Grace Promise pursuant to Part XV of the SFO.
- (6) By virtue of his deemed controlling shareholding interests in LSD as described in Note (3)(b) above, Dr. Lam (who was an executive director of eSun from October 1996 to 13 February 2014) was deemed to be interested in such eSun shares owned indirectly by LSD.
- (7) On 18 January 2013, Dr. Lam was granted an option by eSun to subscribe for 1,243,212 underlying eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.

- (8) On 18 January 2013, Mr. Lui Siu Tsuen, Richard was granted an option by eSun to subscribe for 3,729,636 underlying eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.
- (9) On 18 January 2013, Mr. Chan Chi Kwong was granted an option by eSun to subscribe for 1,500,000 underlying eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.
- (10) By virtue of Dr. Lam's deemed controlling shareholding interests in eSun as described in Note (3)(b) above, he was deemed to be interested in such Lai Fung shares owned indirectly by eSun.
- (11) On 18 January 2013, Dr. Lam was granted an option by Lai Fung to subscribe for 16,095,912 underlying Lai Fung shares at a subscription price of HK\$0.228 per share between 18 January 2013 and 17 January 2023.

Save as disclosed above, as at 30 April 2014, none of the Directors or chief executive of the Company or their respective associates had, or was deemed to have, any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

So far as was known by or otherwise notified to any Director or chief executive of the Company, as at 30 April 2014, the following corporations or persons had 5% or more interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company 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 or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the "Voting Entitlement"):

Long position in the Shares

Name of shareholders	Capacity in which interests are held	Number of Shares	Number of underlying Shares	Total	Approximate percentage of total issued Shares (Note 10)
Dr. Lam Kin Ngok, Peter (Note 1)	Interest of controlled corporations	523,146,275	519,125,000	1,042,271,275	102.15% (Note 3)
Lai Sun Garment (International) Limited (Note 1)	Interest of controlled corporations	523,146,275	519,125,000	1,042,271,275	102.15% (Note 3)
Lai Sun Development Company Limited (Note 1)	Interest of controlled corporations	523,146,275	519,125,000	1,042,271,275	102.15% (Note 3)
eSun Holdings Limited (Note 2)	Interest of a controlled corporation	523,146,275	519,125,000	1,042,271,275	102.15% (Note 3)

Long position in the Shares (continued)

Name of shareholders	Capacity in which interests are held	Number of Shares	Number of underlying Shares	Total	Approximate percentage of total issued Shares (Note 10)
Mr. Yu Feng	Interest of controlled corporations	28,804,931	324,334,989	353,139,920	34.61% (Note 4)
Yunfeng Fund, L.P.	Interest of a controlled corporation	28,804,931	324,334,989	353,139,920	34.61% (Note 4)
Next Gen Entertainment Limited	Beneficial owner	28,804,931	324,334,989	353,139,920	34.61% (Note 4)
SINA Corporation	Interest of a controlled corporation	4,612,228	58,224,395	62,836,623	6.16% (Note 5)
Memestar Limited	Beneficial owner	4,612,228	58,224,395	62,836,623	6.16% (Note 5)
Mr. Zhou Xin	Interest of a controlled corporation	—	53,859,963	53,859,963	5.28% (Note 6)
嚴紅春	Interest of a controlled corporation	—	53,859,963	53,859,963	5.28% (Note 6)
On Chance Inc.	Beneficial owner	—	53,859,963	53,859,963	5.28% (Note 6)
Fubon Financial Holding Co., Ltd.	Interest of a controlled corporation	66,125,000	—	66,125,000	6.48% (Note 7)
Fubon Financial Holding Venture Capital Corp.	Beneficial owner	66,125,000	—	66,125,000	6.48% (Note 7)
Ming Tone Co., Ltd.	Interest of controlled corporations	66,125,000	—	66,125,000	6.48% (Note 8)
Wealth Media Co., Ltd.	Interest of controlled corporations	66,125,000	—	66,125,000	6.48% (Note 8)
Cheng Ting Co., Ltd.	Interest of controlled corporations	66,125,000	—	66,125,000	6.48% (Note 8)
Cheng Hao Co., Ltd.	Interest of controlled corporations	66,125,000	—	66,125,000	6.48% (Note 8)
Kbro Co., Ltd.	Interest of a controlled corporation	66,125,000	—	66,125,000	6.48% (Note 8)
Kbro Media Co., Ltd.	Beneficial owner	66,125,000	—	66,125,000	6.48% (Note 8)
Mr. Tse On Kin	Interest of controlled corporations	64,137,500	—	64,137,500	6.29% (Note 9)

Notes:

- (1) As at 30 April 2014, Dr. Lam, the Chairman and an Executive Director, was also an executive director of each of LSG and LSD.
- (2) As at 30 April 2014, Mr. Lui Siu Tsuen, Richard, an Executive Director, was also an executive director of eSun.
- (3) Dr. Lam, LSG, LSD and eSun were deemed to be interested in the same 1,042,271,275 Shares held indirectly by eSun. Please refer to Note (1) as shown in the section headed "**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES**" above for further details.
- (4) Next Gen is wholly and beneficially owned by Yunfeng Fund, L.P. of which Mr. Yu (an Executive Director of the Company) is the founder, chairman and the sole director of its general partner. Mr. Yu and the aforesaid fund were, therefore, deemed to be interested in such Shares which Next Gen was interested in pursuant to Part XV of the SFO.
- (5) Memestar Limited ("**Memestar**") is wholly and beneficially owned by SINA Corporation ("**SINA**"). SINA was, therefore, deemed to be interested in such Shares which Memestar was interested in pursuant to Part XV of the SFO.
- (6) On Chance Inc. ("**On Chance**") is owned as to 95% by Mr. Zhou Xin ("**Mr. Zhou**"). Mr. Zhou and his spouse 嚴紅春 were, therefore, deemed to be interested in such Shares which On Chance was interested in pursuant to Part XV of the SFO.
- (7) Fubon Financial Holding Venture Capital Corp. ("**FFHVCC**") is a subsidiary of Fubon Financial Holding Co., Ltd. ("**FFHCL**"). FFHCL was, therefore, deemed to be interested in the same 66,125,000 Shares owned by FFHVCC pursuant to Part XV of the SFO.
- (8) Kbro Media Co., Ltd. ("**Kbro Media**") was owned as to approximately 53% by Kbro Co., Ltd. ("**Kbro Co**"). Kbro Co was wholly-owned by Cheng Hao Co., Ltd. ("**Cheng Hao**") and Cheng Hao was wholly-owned by Cheng Ting Co., Ltd. ("**Cheng Ting**"). Cheng Ting was approximately 80% owned by Wealth Media Co., Ltd. ("**Wealth Media**") which was in turn 35.7% owned by Ming Tone Co., Ltd. ("**Ming Tone**"). Therefore, Kbro Co, Cheng Hao, Cheng Ting, Wealth Media and Ming Tone were deemed to be interested in such Shares owned by Kbro Media pursuant to Part XV of the SFO.
- (9) 21,887,500 Shares and 42,250,000 Shares were held by Sun Great Investments Limited ("**Sun Great**") and Bronze Fortune Limited ("**Bronze Fortune**") respectively. As the said companies are wholly and beneficially owned by Mr. Tse On Kin, he was, therefore, deemed to be interested in such Shares which Sun Great and Bronze Fortune were interested in pursuant to Part XV of the SFO.
- (10) The total number of the issued Shares as at 30 April 2014 (that is, 1,020,336,870 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, at 30 April 2014, there were no other persons who were recorded in the register of the Company as having interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company 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 or who had the Voting Entitlement.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period under review, as Mr. Yu Feng (an executive Director) held shareholding interests and/or directorship in companies engaged in entertainment business in Mainland China, he was considered to have interests in businesses, which compete or was likely to compete, either directly or indirectly, with the business of the Group pursuant to the GEM Listing Rules.

However, the Board is independent of the board of directors of the aforesaid companies and Mr. Yu cannot personally control the Board. Further, Mr. Yu is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its business independent of, and at arm's length from, the business of such companies.

AUDIT COMMITTEE

The Company has established an audit committee on 21 May 2001 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The audit committee has three members comprising three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis. The audit committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial information for the nine months ended 30 April 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 April 2014.

By Order of the Board
Media Asia Group Holdings Limited
Lui Siu Tsuen, Richard
Executive Director

Hong Kong, 11 June 2014

As at the date of this report, the Board comprises six executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Choi Chiu Fai, Stanley, Mr. Jeffrey Soong, Mr. Lui Siu Tsuen, Richard and Mr. Chan Chi Kwong; and three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis.