



# 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)

## FIRST QUARTERLY REPORT

For the three months ended 31 October 2014

## 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.

*This report, for which the directors of Media Asia Group Holdings Limited (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**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  
Lui Siu Tsuen, Richard  
Chan Chi Kwong  
Yip Chai Tuck

### *Independent Non-executive Directors*

Chan Chi Yuen  
Zhang Xi  
Ng Chi Ho, Dennis

## AUDIT COMMITTEE

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

## NOMINATION COMMITTEE

Zhang Xi (*Chairman*)  
Chan Chi Yuen  
Ng Chi Ho, Dennis  
Lui Siu Tsuen, Richard  
Yip Chai Tuck

## REMUNERATION COMMITTEE

Chan Chi Yuen (*Chairman*)  
Zhang Xi  
Ng Chi Ho, Dennis  
Lui Siu Tsuen, Richard  
Yip Chai Tuck

## AUTHORISED REPRESENTATIVES

Lui Siu Tsuen, Richard  
Lau Siu Mui

## COMPLIANCE OFFICER

Lui Siu Tsuen, Richard

## COMPANY SECRETARY

Lau Siu Mui

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## PRINCIPAL PLACE OF BUSINESS

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*

## PRINCIPAL BANKERS

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

## LISTING INFORMATION

### *Place of Listing*

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

### *Stock Code*

8075

### *Board Lot*

4,000 shares

## WEBSITE

[www.mediaasia.com](http://www.mediaasia.com)

## INVESTOR RELATIONS

Tel: (852) 3184 0990  
Fax: (852) 3184 9999  
E-mail: [info@mediaasia.com](mailto:info@mediaasia.com)

## FIRST QUARTERLY RESULTS

The board of directors (the “**Board**”) of Media Asia Group Holdings Limited (the “**Company**”) presents the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 October 2014 together with the comparative unaudited figures for the corresponding period in 2013 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

		<b>Three months ended 31 October</b>	
	Notes	<b>2014 (Unaudited) HK\$'000</b>	2013 (Unaudited) HK\$'000
<b>TURNOVER</b>	3	<b>78,729</b>	147,695
Cost of sales		<b>(53,033)</b>	(81,797)
<b>Gross profit</b>		<b>25,696</b>	65,898
Other income		<b>1,046</b>	332
Marketing expenses		<b>(7,462)</b>	(17,335)
Administrative expenses		<b>(27,074)</b>	(23,312)
Other operating gains		<b>924</b>	469
Other operating expenses		<b>(1,765)</b>	(24,354)
<b>PROFIT/(LOSS) FROM OPERATING ACTIVITIES</b>		<b>(8,635)</b>	1,698
Finance costs	4	<b>(4,099)</b>	(13,100)
Share of profits and losses of joint ventures		<b>545</b>	(1,195)
Share of profits and losses of an associate		<b>(3)</b>	(1)
<b>LOSS BEFORE TAX</b>		<b>(12,192)</b>	(12,598)
Income tax expense	5	<b>—</b>	(1,589)
<b>LOSS FOR THE PERIOD</b>		<b>(12,192)</b>	(14,187)
Attributable to:			
Owners of the Company		<b>(10,922)</b>	(15,904)
Non-controlling interests		<b>(1,270)</b>	1,717
		<b>(12,192)</b>	(14,187)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	6		(restated)
Basic and diluted (HK cents)		<b>(0.82)</b>	(2.42)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>LOSS FOR THE PERIOD</b>	<b>(12,192)</b>	(14,187)
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS</b>		
Exchange differences on translation of foreign operations	<b>645</b>	816
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX</b>	<b>645</b>	816
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(11,547)</b>	(13,371)
Attributable to:		
Owners of the Company	<b>(10,277)</b>	(15,362)
Non-controlling interests	<b>(1,270)</b>	1,991
	<b>(11,547)</b>	(13,371)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2014

	Attributable to owners of the Company								
	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 August 2014 (audited)	13,399	343,460	95,191	181,821	(2)	(77,318)	556,551	(2,048)	554,503
Loss for the period	—	—	—	—	—	(10,922)	(10,922)	(1,270)	(12,192)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	645	—	645	—	645
Total comprehensive income/(loss) for the period	—	—	—	—	645	(10,922)	(10,277)	(1,270)	(11,547)
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	55	55
<b>At 31 October 2014 (unaudited)</b>	<b>13,399</b>	<b>343,460</b>	<b>95,191</b>	<b>181,821</b>	<b>643</b>	<b>(88,240)</b>	<b>546,274</b>	<b>(3,263)</b>	<b>543,011</b>
At 1 August 2013 (audited)	131,403	395,249	44,475	309,993	950	(443,014)	439,056	33,551	472,607
Profit/(loss) for the period	—	—	—	—	—	(15,904)	(15,904)	1,717	(14,187)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	542	—	542	274	816
Total comprehensive income/(loss) for the period	—	—	—	—	542	(15,904)	(15,362)	1,991	(13,371)
Partial conversion of First Completion Convertible Notes	984	1,379	—	(499)	—	—	1,864	—	1,864
At 31 October 2013 (unaudited)	132,387	396,628	44,475	309,494	1,492	(458,918)	425,558	35,542	461,100

# NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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 (the "**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 programs; 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 2014. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2014.

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.

## NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS *(continued)*

31 October 2014

### 3. TURNOVER

An analysis of the Group's turnover during the three months ended 31 October 2014 is as follows:

	<b>Three months ended 31 October</b>	
	<b>2014 (Unaudited) HK\$'000</b>	2013 (Unaudited) HK\$'000 (restated)
Turnover		
Entertainment event income	<b>51,048</b>	64,704
Album sales, licence income and distribution commission income from music publishing and licensing	<b>5,584</b>	5,110
Artiste management fee income	<b>5,037</b>	13,052
Advertising income	<b>992</b>	4,267
Distribution commission income and licence fee income from film and TV program products and film rights	<b>16,068</b>	60,562
	<b>78,729</b>	147,695

### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Three months ended 31 October</b>	
	<b>2014 (Unaudited) HK\$'000</b>	2013 (Unaudited) HK\$'000
Interest on:		
— First Completion Convertible Notes wholly repayable within five years ( <i>note a</i> )	—	8,508
— Second Completion Convertible Notes wholly repayable within five years ( <i>note b</i> )	<b>4,099</b>	4,592
	<b>4,099</b>	13,100

*Notes:*

- (a) 3-year zero coupon convertible notes of the Company due 8 June 2014, with an outstanding principal amount of HK\$344,386,642 as at 31 October 2013.
- (b) 3-year zero coupon convertible notes of the Company due 8 June 2015, with an outstanding principal amount of HK\$182,873,937 as at 31 October 2014 (2013: HK\$224,873,937).



# NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS *(continued)*

31 October 2014

## 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 three months ended 31 October 2014 (three months ended 31 October 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.

	<b>Three months ended 31 October</b>	
	<b>2014 (Unaudited) HK\$'000</b>	2013 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	—	2,168
	—	2,168
Deferred tax credit for the period	—	(579)
Total tax expense for the period	—	1,589

## 6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss attributable to owners of the Company for the period of approximately HK\$10,922,000 (2013: HK\$15,904,000) and the weighted average number of ordinary shares of approximately 1,339,866,000 (2013: approximately 658,523,000 (restated)) in issue during the period.

The weighted average number of ordinary shares in issue used in the basic and diluted loss per share calculation for the period ended 31 October 2013 has been adjusted for the capital reorganisation during the year ended 31 July 2014 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 ended 31 October 2014 and 2013 in respect of a dilution as the impact of the 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 three months ended 31 October 2014 (three months ended 31 October 2013: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

For the three months ended 31 October 2014 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$78,729,000, representing an decrease of approximately 47% from approximately HK\$147,695,000 for the corresponding three months ended 31 October 2013 (the “**Corresponding Period**”), mainly due to the decrease in revenue from the Group’s film production and distribution and entertainment events.

Cost of sales decreased to approximately HK\$53,033,000 for the Current Period from approximately HK\$81,797,000 for the Corresponding Period. The Group’s marketing expenses decreased to approximately HK\$7,462,000 for the Current Period from approximately HK\$17,335,000 for the Corresponding Period. The decrease in the abovementioned expenses is due to decrease in the operation activities of the Group. Administrative expenses increased to approximately HK\$27,074,000 for the Current Period from approximately HK\$23,312,000 for the Corresponding Period due to the strengthening of our management structures as well as office relocation. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses decreased to approximately HK\$1,765,000 for the Current Period from approximately HK\$24,354,000 for the Corresponding Period. Other operating expenses for the Current Period mainly included share of net income to co-investors from entertainment events organised by the Group.

Finance costs decreased to approximately HK\$4,099,000 for the Current Period from approximately HK\$13,100,000 for the Corresponding Period. The decrease in finance costs was mainly due to the redemption of the First Completion Convertible Notes on 8 June 2014.

Loss attributable to owners of the Company for the Current Period was approximately HK\$10,922,000 compared to that of approximately HK\$15,904,000 for the Corresponding Period. Basic loss per Share was approximately 0.82 HK cents compared to that of approximately 2.42 HK cents (as restated, after the Capital Reorganisation) 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 have been adjusted for the capital reorganisation, which came in to effect on 9 January 2014.

## BUSINESS REVIEW

### *Media and Entertainment Segment*

#### *Events Management*

During the Current Period, the Group organised and invested in 8 (2013: 26) shows by popular local Asian and internationally renowned artistes, including EXO, SM Town, Show Lo, Justin Lo and C AllStar. The total revenue from these concerts amounted to approximately HK\$51,048,000.

#### *Music*

During the Current Period, the Group released 6 (2013: over 6) albums, including titles by Super Junior, Henry@SJM, Miriam Yeung, C AllStar and RubberBand. Turnover from music publishing and recording was approximately HK\$5,584,000.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **BUSINESS REVIEW** *(continued)*

#### *Media and Entertainment Segment (continued)*

##### *Artiste Management*

During the Current Period, the Group recorded a turnover of approximately HK\$5,037,000 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\$992,000 from advertising business.

##### *Film and TV Program Segment*

###### *Film production and distribution*

During the Current Period, the Group released 1 film, namely Break up 100. Turnover from the licence fee and distribution commission of films was approximately HK\$15,998,000.

###### *TV program production and distribution*

During the Current Period, the Group recorded a turnover of approximately HK\$70,000 from TV program licence fee and distribution commission. The Group has made investments in production of 168 episodes of television dramas in the PRC which are expected to generate return to the Group in the coming financial years.

## **PROSPECTS**

The unprecedented growth of entertainment consumption in China continues and the Group stands ready to fully seize the opportunities based on its solid foundation.

The Group is on a continued drive to increase original production of films with Chinese themes. The recently released title “Don’t Go Breaking My Heart 2” has achieved satisfactory box office. With the slate of films currently in development and production, the Group foresees a solid distribution pipeline in the year to come.

The Group has strengthened its TV production capability in response to the continued strong demand for good quality television drama from TV stations and online video websites in the PRC. Other than TV dramas, the Group is also looking to increase its investments in other types of TV programs such as variety shows and reality series.

The Group believes that the diverse projects of the Group including film, TV, music and live events ensure maximum commercial value and appeal in attracting talent and on the other hand a strong artiste roster will complement the media and entertainment businesses of the Group. In addition to expanding our Chinese artiste portfolio, the Group also collaborates with high profile Asian artistes such as top Korean music groups.

The Group remains committed to staying a major force in Chinese live entertainment and music industry. During the period under review the Group has produced and promoted numerous major concerts in China and Hong Kong and released a number of popular songs by prominent local and Asian artistes. Upcoming products include long awaited concerts and new songs of Sammi Cheng and Miriam Yeung.

In summary, the Group is convinced that its integrated media platform comprising film, TV, music, talent, and event presents the most balanced and synergistic approach to growing a Chinese entertainment powerhouse.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 October 2014, the interests and short positions of the Directors and chief executive of the Company 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 (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

### (1) INTERESTS IN THE COMPANY

Long positions in the Shares and underlying Shares						
Name of Directors	Capacity in which interests are held	Number of Shares	Number of underlying Shares	Deemed interest pursuant to Section 317 of the SFO	Total	Approximate percentage of issued Shares (Note 1)
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	842,675,225	79,596,050 (Note 2)	252,250,000	1,174,521,275	87.66% (Note 3)
Mr. Yu Feng	Interest of controlled corporations	28,804,931	96,751,469 (Note 2)	—	125,556,400	9.37% (Note 4)
Mr. Chan Chi Yuen	Beneficial owner	115,000	—	—	115,000	0.01%

### (2) INTERESTS IN ASSOCIATED CORPORATIONS

#### (a) eSun Holdings Limited ("eSun")

Long positions in eSun shares and underlying shares of HK\$0.50 each					
Name of Directors	Capacity in which interests are held	Number of shares	Share options	Total	Approximate percentage of issued shares
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	521,204,186 (Note 5)	—	—	42.25%
	Beneficial owner	2,794,443	1,243,212 (Note 6)	525,241,841	
Mr. Lui Siu Tsuen, Richard	Beneficial owner	—	3,729,636 (Note 7)	3,729,636	0.30%
Mr. Chan Chi Kwong	Beneficial owner	—	1,500,000 (Note 8)	1,500,000	0.12%

## DIRECTORS' INTERESTS IN SECURITIES (continued)

### (2) INTERESTS IN ASSOCIATED CORPORATIONS (continued)

#### (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	Long positions in Lai Fung shares and underlying shares of HK\$0.10 each			Approximate percentage of issued shares
		Number of shares	Share options	Total	
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations and beneficial owner	8,274,270,422 (Note 9)	16,095,912 (Note 10)	8,290,366,334	51.49%

Notes:

- (1) The number of the issued Shares as at 31 October 2014 (that is, 1,339,865,820 Shares) has been used for the calculation of the approximate percentage.
- (2) These are 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 Kin Ngok, Peter ("**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 and the persons acting in concert with it as shown in the section headed "**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES**" below pursuant to Part XV of the SFO.  
  
 (b) eSun is the Company's ultimate holding company. As at 31 October 2014, eSun was indirectly owned as to approximately 41.92% 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 12.65% (excluding share option) owned by Dr. Lam and approximately 29.99% owned by Wisdoman Limited which was in turn 100% 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' 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 his deemed controlling shareholding interests in LSD as described in Note (3)(b) above, Dr. Lam was deemed to be interested in such eSun shares owned indirectly by LSD.
- (6) On 18 January 2013, Dr. Lam was granted an option by eSun to subscribe for 1,243,212 eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.
- (7) On 18 January 2013, Mr. Lui Siu Tsuen, Richard ("**Mr. Lui**") was granted an option by eSun to subscribe for 3,729,636 eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.

## DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes: *(continued)*

- (8) *On 18 January 2013, Mr. Chan Chi Kwong ("Mr. Chan") was granted an option by eSun to subscribe for 1,500,000 eSun shares at a subscription price of HK\$1.612 per share between 18 January 2013 and 17 January 2023.*
- (9) *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.*
- (10) *On 18 January 2013, Dr. Lam was granted an option by Lai Fung to subscribe for 16,095,912 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 31 October 2014, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 October 2014, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### LONG POSITION IN THE SHARES

Name of shareholders	Capacity in which interests are held	Number of Shares	Number of underlying Shares	Deemed interest pursuant to Section 317 of the SFO (Note 6)	Total	Approximate percentage of issued Shares (Note 1)
Lai Sun Garment (International) Limited	Interest of controlled corporations	842,675,225	79,596,050	252,250,000	1,174,521,275	87.66% (Note 2)
Lai Sun Development Company Limited	Interest of controlled corporations	842,675,225	79,596,050	252,250,000	1,174,521,275	87.66% (Note 2)
eSun Holdings Limited	Interest of controlled corporation	842,675,225	79,596,050	252,250,000	1,174,521,275	87.66% (Note 2)
Fubon Financial Holding Co., Ltd.	Interest of controlled corporation	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 3)
Fubon Financial Holding Venture Capital Corp.	Beneficial owner	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 3)
Ming Tone Co., Ltd.	Interest of controlled corporations	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Wealth Media Co., Ltd.	Interest of controlled corporations	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Cheng Ting Co., Ltd.	Interest of controlled corporations	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Cheng Hao Co., Ltd.	Interest of controlled corporations	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Kbro Co., Ltd.	Interest of controlled corporation	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Kbro Media Co., Ltd.	Beneficial owner	66,125,000	60,000,000	1,048,396,275	1,174,521,275	87.66% (Note 4)
Yunfeng Fund, L.P.	Interest of controlled corporation	28,804,931	96,751,469	—	125,556,400	9.37% (Note 5)
Next Gen Entertainment Limited	Beneficial owner	28,804,931	96,751,469	—	125,556,400	9.37% (Note 5)

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

### LONG POSITION IN THE SHARES *(continued)*

Notes:

- (1) The number of the issued Shares as at 31 October 2014 (that is, 1,339,865,820 Shares) has been used for the calculation of the approximate percentage.
- (2) LSG, LSD and eSun were deemed to be interested in the same 1,174,521,275 Shares held indirectly by eSun and the persons acting in concert with it (see Note (6) below). Please refer to Note (3) as shown in the section headed "**DIRECTORS' INTERESTS IN SECURITIES**" above for further details.
- (3) 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 1,174,521,275 Shares owned by FFHVCC and the persons acting in concert with it (see Note (6) below) pursuant to Part XV of the SFO.
- (4) 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 the same 1,174,521,275 Shares owned by Kbro Media and the persons acting in concert with it (see Note (6) below) pursuant to Part XV of the SFO.
- (5) Next Gen is wholly and beneficially owned by Yunfeng Fund, L.P. of which Mr. Yu (an Executive Director) 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 the same 125,556,400 Shares which Next Gen was interested in pursuant to Part XV of the SFO.
- (6) Pursuant to Section 317 of the SFO, each of Perfect Sky Holdings Limited (a wholly-owned subsidiary of eSun), FFHVCC and Kbro Media were deemed to be persons acting in concert and were taken to be interested in the Shares and the underlying Shares being held by the other parties under the agreements for the sale and purchase of convertible notes dated 5 May 2014. Perfect Sky Holdings Limited, FFHVCC and Kbro Media ceased to be persons acting in concert on 9 November 2014.

Save as disclosed above, as at 31 October 2014, no other persons (other than the Directors and chief executive of the Company) had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.



## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

During the period under review, the following Directors (together, “**Interested Directors**”) are considered to have interests in businesses which compete or may compete with the businesses of the Group pursuant to the GEM Listing Rules.

Dr. Lam, Mr. Lui, Mr. Chan and Mr. Yip Chai Tuck, all are Executive Directors, held shareholding interests and/or other interests and/or directorships in companies/entities in the group of eSun which engage in the businesses including development, operation of and investment in media, entertainment, music production and distribution, the investment in and production and distribution of television programs, film and video format products, cinema operation and the provision of advertising agency services. Mr. Yu, an Executive Director, held shareholding interests and/or directorship in companies engaged in entertainment business in Mainland China.

However, the Board is independent from the boards of directors/governing committees of the aforesaid companies/entities and none of the Interested Directors can personally control the Board. Further, each of the Interested Directors 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 the shareholders of the Company as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies/entities.

## **REVIEW OF QUARTERLY REPORT**

The audit committee of the Company comprises 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 unaudited condensed consolidated financial information for the three months ended 31 October 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 three months ended 31 October 2014.

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

Hong Kong, 11 December 2014