



Media Asia Group Holdings Limited

(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 2015

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

INVESTOR RELATIONS

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THIRD 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 and the nine months ended 30 April 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
TURNOVER	3	147,239	93,640	530,694	360,049
Cost of sales		(77,327)	(85,672)	(324,679)	(268,167)
Gross profit		69,912	7,968	206,015	91,882
Other income		573	5,573	3,909	11,609
Marketing expenses		(31,923)	(12,651)	(83,134)	(39,423)
Administrative expenses		(28,638)	(27,938)	(96,161)	(87,364)
Other operating gains		2,050	1,445	2,771	20,293
Other operating expenses		504	(278)	(2,216)	(43,299)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		12,478	(25,881)	31,184	(46,302)
Finance costs	4	(3,965)	(11,243)	(12,163)	(37,216)
Share of profits and losses of joint ventures		460	(1,330)	894	(4,720)
Share of profits and losses of an associate		—	(6)	(3)	(7)
PROFIT/(LOSS) BEFORE TAX		8,973	(38,460)	19,912	(88,245)
Income tax expenses	5	—	138	(419)	(2,975)
PROFIT/(LOSS) FOR THE PERIOD		8,973	(38,322)	19,493	(91,220)
Attributable to:					
Owners of the Company		9,976	(37,551)	21,634	(92,773)
Non-controlling interests		(1,003)	(771)	(2,141)	1,553
		8,973	(38,322)	19,493	(91,220)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6				
Basic and diluted (HK cents)		0.74	(3.89)	1.61	(12.01)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 April		Nine months ended 30 April	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	8,973	(38,322)	19,493	(91,220)
OTHER COMPREHENSIVE INCOME/ (LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	285	(1,752)	1,529	1,438
Release of foreign currency translation reserve upon disposal of subsidiaries	—	257	(106)	(1,506)
OTHER COMPREHENSIVE INCOME/ (LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX	285	(1,495)	1,423	(68)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	9,258	(39,817)	20,916	(91,288)
Attributable to:				
Owners of the Company	10,248	(39,039)	23,042	(93,270)
Non-controlling interests	(990)	(778)	(2,126)	1,982
	9,258	(39,817)	20,916	(91,288)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2015

	Attributable to owners of the Company								
	Issued capital HK\$'000	Share premium 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
Profit/(loss) for the period	—	—	—	—	—	21,634	21,634	(2,141)	19,493
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	1,514	—	1,514	15	1,529
Release of foreign currency translation reserve upon disposal of subsidiaries	—	—	—	—	(106)	—	(106)	—	(106)
Total comprehensive income/(loss) for the period	—	—	—	—	1,408	21,634	23,042	(2,126)	20,916
At 30 April 2015 (unaudited)	13,399	343,460	95,191	181,821	1,406	(55,684)	579,593	(4,174)	575,419
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	—	—	—	—	—	(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	—	—	—
Placing of shares	1,322	78,954	—	—	—	—	80,276	—	80,276
Transaction costs of placing of shares	—	(641)	—	—	—	—	(641)	—	(641)
Partial conversion of First Completion Convertible Notes after Capital Reorganisation	2,189	87,891	—	(18,431)	—	—	71,649	—	71,649
Acquisition of a subsidiary	—	—	—	—	—	—	—	386	386
Capital contribution from a non-controlling shareholder	—	—	—	—	—	—	—	303	303
Dividend paid to 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

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2015

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 condensed consolidated financial statements of the Group have not been audited by the Company's auditors but have been reviewed by the Company's Audit Committee.

The unaudited condensed consolidated financial statements have 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 statements 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.

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2015

3. TURNOVER

An analysis of the Group's turnover during the three months and nine months ended 30 April 2015 is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Turnover				
Entertainment event income	52,884	47,482	257,770	178,003
Album sales, licence income and distribution commission income from music publishing and licensing	10,935	6,229	23,755	18,247
Artiste management fee income	2,465	2,295	12,107	23,639
Advertising income	4,338	2,189	15,246	6,613
Distribution commission income and licence fee income from film and TV program products and film rights	76,617	35,445	221,816	133,547
	147,239	93,640	530,694	360,049

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 30 April	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on:		
— First Completion Convertible Notes wholly repayable within five years	—	23,589
— Second Completion Convertible Notes wholly repayable within five years	12,163	13,627
	12,163	37,216

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2015

5. INCOME TAX EXPENSES

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 2015 (nine months ended 30 April 2014: 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	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	419	3,898
	419	3,898
Deferred tax credit for the period	—	(923)
Total tax expense for the period	419	2,975

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2015

6. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings/(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	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Earnings/(Loss)				
Profit/(loss) attributable to owners of the Company used in the basic and diluted earnings/(loss) per Share calculation	9,976	(37,551)	21,634	(92,773)
	Number of Shares		Number of Shares	
	2015 (Unaudited) '000	2014 (Unaudited) '000	2015 (Unaudited) '000	2014 (Unaudited) '000
Shares				
Weighted average number of ordinary Shares in issue used in the basic and diluted earnings/(loss) per Share calculation	1,339,866	965,843	1,339,866	772,773
Earnings/(loss) per Share:				
– Basic and diluted (HK cents)	0.74	(3.89)	1.61	(12.01)

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 have been adjusted for the capital reorganisation (“**Capital Reorganisation**”) during the period ended 30 April 2014 as detailed in the Company’s circular dated 13 December 2013.

No adjustment has been made to the basic earnings/(loss) per Share amounts presented for three months and nine months ended 30 April 2015 and 2014 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 earnings/(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 2015 (nine months ended 30 April 2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 April 2015 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$530,694,000, representing an increase of approximately 47% from approximately HK\$360,049,000 for the corresponding nine months ended 30 April 2014 (the “**Corresponding Period**”), mainly due to the increase in revenue from the Group’s film production and distribution and entertainment events.

Cost of sales increased to approximately HK\$324,679,000 for the Current Period from approximately HK\$268,167,000 for the Corresponding Period. The Group’s marketing expenses increased to approximately HK\$83,134,000 for the Current Period from approximately HK\$39,423,000 for the Corresponding Period. The increase in the abovementioned expenses is due to increase in the operating activities of the Group. Administrative expenses increased to approximately HK\$96,161,000 for the Current Period from approximately HK\$87,364,000 for the Corresponding Period due to the strengthening of our management structure. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses decreased to approximately HK\$2,216,000 for the Current Period from approximately HK\$43,299,000 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\$12,163,000 for the Current Period from approximately HK\$37,216,000 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.

Profit attributable to owners of the Company for the Current Period was approximately HK\$21,634,000 compared to loss attributable to owners of the Company of approximately HK\$92,773,000 for the Corresponding Period. The turnaround is mainly due to satisfactory performance of the Group’s films released and events held during the Current Period. Basic earnings per Share was approximately 1.61 HK cents compared to basic loss per Share of approximately 12.01 HK cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 44 (2014: 63) shows by popular local Asian and internationally renowned artistes, including EXO, SM Town, Super Junior, Show Lo, Sammi Cheng, Miriam Yeung, Grasshopper, Justin Lo, C AllStar, RubberBand and Hebe Tien. The total revenue from these concerts amounted to approximately HK\$257,770,000.

Music

During the Current Period, the Group released 17 (2014: 21) albums, including titles by Super Junior, Henry@SJM, Sammi Cheng, Miriam Yeung, C AllStar and RubberBand. Turnover from music publishing and recording was approximately HK\$23,755,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$12,107,000 from artiste management. The Group currently has more than 20 artistes under its management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Media and Entertainment Segment (continued)

Advertising

During the Current Period, the Group recorded a turnover of approximately HK\$15,246,000 from advertising business.

Film and TV Program Segment

Film Production and Distribution

During the Current Period, the Group released 7 films, namely “Helios”, “Triumph in the Skies”, “The Man From Macau II (From Vegas to Macau 2)”, “Crazy New Year’s Eve”, “Don’t Go Breaking My Heart II”, “Miss Granny (20, Once Again)” and “Break Up 100”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$211,772,000.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$10,044,000 from TV program licence fee and distribution commission. The Group has made investment in production of 4 television drama series in the PRC which are expected to generate return to the Group in the coming financial year.

PROSPECTS

With the successful release of its recent films “Helios”, “Triumph in the Skies”, “The Man From Macau II (From Vegas to Macau 2)”, “Don’t Go Breaking My Heart II” and “Miss Granny (20, Once Again)”, the Group is on a continued drive to increase original production of films with Chinese themes and build up a solid distribution pipeline.

For our TV Division, the TV drama “Don’t Go Breaking My Heart” is in the post-production stage and the Group is in discussion with leading TV stations, Chinese portals and video web sites for related licensing and distribution. In addition, the Group is in the process of negotiation with various production companies for new project development.

Dragon Tiger Capital Partners L.P. (“**DTCP**”), the Group’s investment fund set up with SM Entertainment Group (“**SM**”) and Fubon Group (“**Fubon**”) last year, is now developing film and TV investment projects with the leverage of resources and talents of both SM and Fubon, and continuing with its fund raising.

The Group remains highly active in live entertainment in Hong Kong and China. The recent successful concerts “Touch Mi - Sammi Cheng 2014”, “Let’s Begin - Miriam Yeung 2015” and “SM Town Tour 2014” were well received by fans and made meaningful contribution to our financial performance.

Good news from our Music Division is that we have granted an exclusive license to Taobao (China) Software Co., Ltd., a subsidiary of Alibaba Group, to distribute the Group’s music recordings and music videos via the Internet in the PRC. The Group will continue to output new hits from top artistes and enjoy the growth of the new pay model of digital distribution in China.

The Group’s strong Chinese artiste roster along with the exclusive management of various artistes of SM in China will complement our media and entertainment businesses. The diverse projects of the Group including film, TV, music and live events ensure maximum commercial value and appeal in attracting talent.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS *(continued)*

The Group has recently carried out fund raising activities including the open offer and issuance of new convertible notes to raise approximately HK\$201 million and HK\$316.8 million respectively, for the redemption of Second Completion Convertible Notes of approximately HK\$143.1 million which fall to be matured in early June, production of films and TV projects and funding commitment in DTCP, and as the general working capital of the Group.

We believe that the fund raising activities will enhance the working capital and strengthen the capital base and financial position for the future development of the Group and are convinced that with our upcoming quality movies, dramas and variety programs and popular music products and live entertainment events, the Group is well positioned to capitalize the growth of China entertainment market.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES

As at 30 April 2015, 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

Name of Directors	Long positions in the Shares and underlying Shares					Approximate percentage of issued Shares (Note 1)
	Number of Shares		Number of underlying Shares	Total		
	Corporate interests	Personal interests				
Dr. Lam Kin Ngok, Peter	1,264,012,837 (Note 2(a))	—	268,631,966 (Note 2(b))	1,532,644,803 (Note 3)	114.39%	
Mr. Yu Feng	28,804,931	—	96,751,469 (Note 4(a))	125,556,400 (Note 4(b))	9.37%	
Mr. Chan Chi Yuen	—	115,000	—	115,000	0.01%	

(2) Interests in Associated Corporations

(a) eSun Holdings Limited ("eSun")

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

OTHER INFORMATION

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	Number of shares		Share options	Total	Approximate percentage of issued shares
	Corporate interests	Personal interests	Personal interests		
Dr. Lam Kin Ngok, Peter	8,274,270,422 (Note 9)	—	16,095,912 (Note 10)	8,290,366,334	51.40%

Notes:

- (1) The number of the issued Shares as at 30 April 2015 (that is, 1,339,865,820 Shares) has been used for the calculation of the approximate percentage.
- (2) (a) These Shares included 421,337,612 offer shares offered under the open offer conducted by the Company with details set out in the prospectus of the Company dated 8 May 2015 (the “**Offer Shares**”) and taken up by Perfect Sky Holdings Limited (“**Perfect Sky**”) pursuant to the irrevocable undertaking given by it on 17 April 2015.
- (b) The underlying Shares comprised (i) the conversion shares issuable upon conversion of the Second Completion Convertible Notes issued by the Company to Perfect Sky on 9 June 2012 pursuant to a subscription agreement dated 23 March 2011; and (ii) the conversion shares to be allotted and issued upon conversion of the convertible notes to be issued by the Company to Perfect Sky pursuant to a subscription agreement dated 17 April 2015.
- (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 as shown in the section headed “SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SECURITIES” below pursuant to Part XV of the SFO.
- (b) eSun was the Company’s ultimate holding company. As at 30 April 2015, eSun was indirectly owned as to approximately 41.92% by Lai Sun Development Company Limited (“**LSD**”). LSD was approximately 51.88% directly and indirectly owned by Lai Sun Garment (International) Limited (“**LSG**”). LSG was approximately 12.62% (excluding share option) owned by Dr. Lam and approximately 29.91% owned by Wisdoman Limited which was in turn 100% beneficially owned by Dr. Lam.
- (4) (a) The underlying Shares comprised the conversion shares issuable upon conversion of the Second Completion Convertible Notes issued by the Company to Next Gen Entertainment Limited (“**Next Gen**”) on 9 June 2012 pursuant to a subscription agreement dated 23 March 2011.
- (b) Next Gen was a wholly-owned subsidiary of Yunfeng Fund, L.P., of which Mr. Yu Feng (“**Mr. Yu**”) is the founder and chairman. Mr. Yu was also the sole director of the general partner of Yunfeng Fund, L.P. Therefore, Mr. Yu was deemed to be interested in the Shares and underlying Shares owned by Next Gen as shown in the section headed “SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SECURITIES” below pursuant to Part XV of the SFO.
- (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.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes: *(continued)*

- (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.
- (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 30 April 2015, 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 corporations (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.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 April 2015, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares or 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	Total	Approximate percentage of issued Shares (Note 1)
Lai Sun Garment (International) Limited	Interest of controlled corporations	1,264,012,837	268,631,966	1,532,644,803 (Note 2)	114.39%
Lai Sun Development Company Limited	Interest of controlled corporations	1,264,012,837	268,631,966	1,532,644,803 (Note 2)	114.39%
eSun Holdings Limited	Interest of controlled corporation	1,264,012,837	268,631,966	1,532,644,803 (Note 2)	114.39%
Taiwan Mobile Co., Ltd.	Interest of controlled corporations	—	283,553,874 (Note 3(a))	283,553,874 (Note 3(c))	21.16%
Wealth Media Technology Co., Ltd.	Interest of controlled corporations	—	283,553,874 (Note 3(a))	283,553,874 (Note 3(c))	21.16%
TFN Media Co., Ltd.	Beneficial owner	—	245,746,691 (Note 3(b))	245,746,691	18.34%
Fubon Financial Holding Co., Ltd.	Interest of controlled corporation	99,187,500 (Note 4(a))	123,175,803 (Note 4(b))	222,363,303 (Note 4(c))	16.60%
Fubon Financial Holding Venture Capital Corp.	Beneficial owner	99,187,500 (Note 4(a))	123,175,803 (Note 4(b))	222,363,303	16.60%
Ming Tone Co., Ltd.	Interest of controlled corporations	99,187,500 (Note 5(a))	123,175,803 (Note 5(b))	222,363,303 (Note 5(c))	16.60%
Wealth Media Co., Ltd.	Interest of controlled corporations	99,187,500 (Note 5(a))	123,175,803 (Note 5(b))	222,363,303 (Note 5(c))	16.60%
Cheng Ting Co., Ltd.	Interest of controlled corporations	99,187,500 (Note 5(a))	123,175,803 (Note 5(b))	222,363,303 (Note 5(c))	16.60%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

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 issued Shares <i>(Note 1)</i>
Cheng Hao Co., Ltd.	Interest of controlled corporations	99,187,500 <i>(Note 5(a))</i>	123,175,803 <i>(Note 5(b))</i>	222,363,303 <i>(Note 5(c))</i>	16.60%
Kbro Co., Ltd.	Interest of controlled corporation	99,187,500 <i>(Note 5(a))</i>	123,175,803 <i>(Note 5(b))</i>	222,363,303 <i>(Note 5(c))</i>	16.60%
Kbro Media Co., Ltd.	Beneficial owner	99,187,500 <i>(Note 5(a))</i>	123,175,803 <i>(Note 5(b))</i>	222,363,303	16.60%
Chu Yuet Wah	Interest of controlled corporation	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Active Dynamic Limited	Interest of controlled corporation	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Kingston Financial Group Limited	Interest of controlled corporation	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Kingston Capital Asia Limited	Interest of controlled corporation	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Galaxy Sky Investments Limited	Interest of controlled corporation	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Kingston Securities Limited	Beneficial owner	246,831,999	—	246,831,999 <i>(Note 6)</i>	11.20% <i>(Note 6)</i>
Yunfeng Fund, L.P.	Interest of controlled corporation	28,804,931	96,751,469 <i>(Note 7(a))</i>	125,556,400 <i>(Note 7(b))</i>	9.37%
Next Gen Entertainment Limited	Beneficial owner	28,804,931	96,751,469 <i>(Note 7(a))</i>	125,556,400	9.37%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Long Position in the Shares (continued)

Notes:

- (1) *The number of the issued Shares as at 30 April 2015 (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 1,532,644,803 Shares and underlying Shares held indirectly by eSun. Please refer to Notes (2) and (3) as shown in the section headed "DIRECTORS' INTERESTS IN SECURITIES" above for further details.*
- (3)
 - (a) *The underlying Shares comprised the conversion shares to be allotted and issued upon conversion of the convertible notes issued to TFN Media Co., Ltd. ("**TFN Media**") and the convertible notes to be issued to MOMO.COM Inc. ("**MOMO.COM**") pursuant to the subscription agreements dated 17 April 2015.*
 - (b) *The underlying Shares comprised the conversion shares to be allotted and issued upon conversion of the convertible notes issued to TFN Media pursuant to a subscription agreement dated 17 April 2015.*
 - (c) *TFN Media and MOMO.COM (holding 37,807,183 underlying Shares as at 30 April 2015) were owned as to approximately 100% and 44.38% by Wealth Media Technology Co., Ltd. ("**WMT**"). WMT was wholly-owned by Taiwan Mobile Co., Ltd. ("**TMC**"). Therefore, WMT and TMC were deemed to be interested in 283,553,874 underlying Shares owned by TFN Media and MOMO.COM pursuant to Part XV of the SFO.*
- (4)
 - (a) *These Shares included 33,062,500 Offer Shares taken up by Fubon Financial Holding Venture Capital Corp. ("**Fubon Financial**") pursuant to the irrevocable undertaking given by it on 17 April 2015.*
 - (b) *The underlying Shares comprised (i) the conversion shares issuable upon conversion of the Second Completion Convertible Notes issued by the Company to Fubon Financial on 9 May 2014 pursuant to a sale and purchase agreement dated 5 May 2014 entered into between Perfect Sky and Fubon Financial; and (ii) the conversion shares to be allotted and issued upon conversion of the convertible notes to be issued by the Company to Fubon Financial pursuant to a subscription agreement dated 17 April 2015.*
 - (c) *Fubon Financial was a subsidiary of Fubon Financial Holding Co., Ltd. ("**FFHCL**"). FFHCL was, therefore, deemed to be interested in the same 222,363,303 Shares and underlying Shares owned by Fubon Financial pursuant to Part XV of the SFO.*
- (5)
 - (a) *These Shares included 33,062,500 Offer Shares taken up by Kbro Media Co., Ltd. ("**Kbro Media**") pursuant to the irrevocable undertaking given by it on 17 April 2015.*
 - (b) *The underlying Shares comprised (i) the conversion shares issuable upon conversion of the Second Completion Convertible Notes issued by the Company to Kbro Media on 9 May 2014 pursuant to a sale and purchase agreement dated 5 May 2014 entered into between Perfect Sky and Kbro Media; and (ii) the conversion shares to be allotted and issued upon conversion of the convertible notes to be issued by the Company to Kbro Media pursuant to a subscription agreement dated 17 April 2015.*
 - (c) *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 222,363,303 Shares and underlying Shares owned by Kbro Media pursuant to Part XV of the SFO.*

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Long Position in the Shares (continued)

Notes: *(continued)*

- (6) According to the notices of disclosure of interests filed with the Stock Exchange, (a) the percentage of interest was calculated based on the issued share capital of the Company as enlarged by the Offer Shares; and (b) Kingston Securities Limited was 100% controlled by Galaxy Sky Investments Limited ("**Galaxy Sky**"); Galaxy Sky was 100% controlled by Kingston Capital Asia Limited ("**Kingston Capital**"); Kingston Capital was 100% controlled by Kingston Financial Group Limited ("**Kingston Financial**"); Kingston Financial was 42.90% controlled by Active Dynamic Limited ("**Active Dynamic**") and Active Dynamic was 100% controlled by Chu Yuet Wah.
- (7) (a) The underlying Shares comprised the conversion shares issuable upon conversion of the Second Completion Convertible Notes issued by the Company to Next Gen on 9 June 2012 pursuant to a subscription agreement dated 23 March 2011.
- (b) Next Gen was wholly and beneficially owned by Yunfeng Fund, L.P. which was, therefore, deemed to be interested in the same 125,556,400 Shares and underlying Shares owned by Next Gen pursuant to Part XV of the SFO.

Save as disclosed above, as at 30 April 2015, 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 and up to the date of this Report, eSun and the following Directors (together, "**Interested Directors**") are considered to have interests in the businesses which compete or may compete with the businesses of the Group pursuant to the GEM Listing Rules.

Four executive Directors, namely, Dr. Lam, Mr. Lui, Mr. Chan and Mr. Yip Chai Tuck, 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.

Save as disclosed above, none of the Directors, the controlling Shareholder and their respective close associates competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group.

OTHER INFORMATION

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 2015.

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 third quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the nine months ended 30 April 2015.

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

Hong Kong, 8 June 2015