



# Media Asia Group Holdings Limited

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8075)**

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FIRST QUARTERLY REPORT

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For the three months ended 31 October 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*)  
Chan Chi Kwong  
Lui Siu Tsuen, Richard  
Yip Chai Tuck

### *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  
Lui Siu Tsuen, Richard  
Ng Chi Ho, Dennis  
Yip Chai Tuck

## REMUNERATION COMMITTEE

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

## 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 HM 11  
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 HM 11  
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 2015 together with the comparative unaudited figures for the corresponding period in 2014 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 31 October	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>TURNOVER</b>	3	<b>114,894</b>	78,729
Cost of sales		<b>(87,041)</b>	(53,033)
<b>Gross profit</b>		<b>27,853</b>	25,696
Other income		<b>1,307</b>	1,046
Marketing expenses		<b>(8,196)</b>	(7,462)
Administrative expenses		<b>(26,813)</b>	(27,074)
Other operating gains		<b>2,701</b>	924
Other operating expenses		<b>(6,637)</b>	(1,765)
<b>LOSS FROM OPERATING ACTIVITIES</b>		<b>(9,785)</b>	(8,635)
Finance costs	4	<b>(5,594)</b>	(4,099)
Share of profits and losses of joint ventures		<b>3,765</b>	545
Share of profits and losses of an associate		<b>—</b>	(3)
<b>LOSS BEFORE TAX</b>		<b>(11,614)</b>	(12,192)
Income tax expenses	5	<b>(271)</b>	—
<b>LOSS FOR THE PERIOD</b>		<b>(11,885)</b>	(12,192)
Attributable to:			
Owners of the Company		<b>(11,068)</b>	(10,922)
Non-controlling interests		<b>(817)</b>	(1,270)
		<b>(11,885)</b>	(12,192)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	6		
Basic and diluted (HK cents)		<b>(0.52)</b>	(0.82)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>LOSS FOR THE PERIOD</b>	<b>(11,885)</b>	(12,192)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS</b>		
Exchange differences on translation of foreign operations	(5,188)	645
<b>OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX</b>	<b>(5,188)</b>	645
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(17,073)</b>	(11,547)
Attributable to:		
Owners of the Company	(16,264)	(10,277)
Non-controlling interests	(809)	(1,270)
	<b>(17,073)</b>	(11,547)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 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	Retained profit/(accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 August 2015 (audited)	20,924	614,032	95,191	76,296	1,137	90,774	898,354	(3,538)	894,816
Loss for the period	—	—	—	—	—	(11,068)	(11,068)	(817)	(11,885)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(5,196)	—	(5,196)	8	(5,188)
Total comprehensive loss for the period	—	—	—	—	(5,196)	(11,068)	(16,264)	(809)	(17,073)
Partial conversion of the Specific Mandate Convertible Notes	437	19,629	—	(4,842)	—	—	15,224	—	15,224
Deemed acquisition of a subsidiary	—	—	—	—	—	—	—	3,746	3,746
Capital contribution from a non-controlling shareholder	—	—	—	—	—	—	—	1,068	1,068
<b>At 31 October 2015 (unaudited)</b>	<b>21,361</b>	<b>633,661</b>	<b>95,191</b>	<b>71,454</b>	<b>(4,059)</b>	<b>79,706</b>	<b>897,314</b>	<b>467</b>	<b>897,781</b>
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 a non-controlling shareholder	—	—	—	—	—	—	—	55	55
At 31 October 2014 (unaudited)	13,399	343,460	95,191	181,821	643	(88,240)	546,274	(3,263)	543,011

# NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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; licensing of media contents; 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 2015. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2015.

# NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 2015

## 3. TURNOVER

An analysis of the Group's turnover during the three months ended 31 October 2015 is as follows:

	<b>Three months ended 31 October</b>	
	<b>2015 (Unaudited) HK\$'000</b>	2014 (Unaudited) HK\$'000
Turnover		
Entertainment event income	<b>69,458</b>	51,048
Album sales, licence income and distribution commission income from music publishing and licensing	<b>14,386</b>	5,584
Artiste management fee income	<b>4,342</b>	5,037
Advertising income	<b>—</b>	992
Distribution commission income and licence fee income from film and TV program products and film rights	<b>26,708</b>	16,068
	<b>114,894</b>	78,729

## 4. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Three months ended 31 October</b>	
	<b>2015 (Unaudited) HK\$'000</b>	2014 (Unaudited) HK\$'000
Interest on:		
— Second Completion Convertible Notes	<b>—</b>	4,099
— TFN Convertible Notes	<b>2,380</b>	—
— Specific Mandate Convertible Notes	<b>3,214</b>	—
	<b>5,594</b>	4,099



# NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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 three months ended 31 October 2015 (three months ended 31 October 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.

	<b>Three months ended 31 October</b>	
	<b>2015 (Unaudited) HK\$'000</b>	2014 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	<b>271</b>	—
Total tax expense for the period	<b>271</b>	—

## 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\$11,068,000 (2014: approximately HK\$10,922,000) and the weighted average number of ordinary Shares of approximately 2,126,564,000 (2014: approximately 1,339,866,000) in issue during the period.

No adjustment has been made to the basic loss per Share amounts presented for three months ended 31 October 2015 and 2014 in respect of a dilution as the impact of the Second Completion Convertible Notes, TFN Convertible Notes and Specific Mandate 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 2015 (three months ended 31 October 2014: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

For the three months ended 31 October 2015 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$114,894,000, representing an increase of approximately 46% from approximately HK\$78,729,000 for the corresponding three months ended 31 October 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\$87,041,000 for the Current Period from approximately HK\$53,033,000 for the Corresponding Period. The Group’s marketing expenses increased to approximately HK\$8,196,000 for the Current Period from approximately HK\$7,462,000 for the Corresponding Period. The increase in the abovementioned expenses was due to increase in the operating activities of the Group. Administrative expenses decreased to approximately HK\$26,813,000 for the Current Period from approximately HK\$27,074,000 for the Corresponding Period. These expenses are under strict control by the Company’s management. Other operating gains mainly included the share of net income from entertainment events organised by co-investors. Other operating expenses increased to approximately HK\$6,637,000 for the Current Period from approximately HK\$1,765,000 for the Corresponding Period. Other operating expenses for the Current Period mainly included exchange loss arising from the depreciation in Renminbi.

Finance costs increased to approximately HK\$5,594,000 for the Current Period from approximately HK\$4,099,000 for the Corresponding Period. The increase in finance costs was mainly due to the issuance of the TFN Convertible Notes and Specific Mandate Convertible Notes on 13 May 2015 and 3 July 2015 respectively.

Loss attributable to owners of the Company for the Current Period was approximately HK\$11,068,000 compared to that of approximately HK\$10,922,000 for the Corresponding Period. Basic loss per Share was approximately 0.52 HK cents compared to that of approximately 0.82 HK cents for the Corresponding Period.

## BUSINESS REVIEW

### *Media and Entertainment Segment*

#### *Events Management*

During the Current Period, the Group organised and invested in 22 (2014: 8) shows by popular local, Asian and internationally renowned artistes, including Sammi Cheng, Miriam Yeung, Ivana Wong, Edmond Leung, Jolin Tsai, Justin Lo, EXO, SHINee and Infinite. The total revenue from these concerts amounted to approximately HK\$69,458,000.

#### *Music*

During the Current Period, the Group released 4 (2014: 6) albums, including titles by Miriam Yeung, Justin Lo and a group of Richie Jen, William So, Edmond Leung and Steve Wong. Turnover from music publishing and recording was approximately HK\$14,386,000.

#### *Artiste Management*

During the Current Period, the Group recorded a turnover of approximately HK\$4,342,000 from artiste management. The Group currently has more than 20 artistes under its management.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

### *Film and TV Program Segment*

#### *Film Production and Distribution*

During the Current Period, the Group released 3 films, namely “The Assassin”, “All You Need Is Love” and “Office”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$25,081,000.

#### *TV Program Production and Distribution*

During the Current Period, the Group recorded a turnover of approximately HK\$1,627,000 from TV program licence fee and distribution commission. The Group has made investments in production of 5 television drama series in the PRC which are expected to generate return to the Group in the coming financial years.

## **PROSPECTS**

The China entertainment consumption continues to grow and the Group has lined up its products to capture the market opportunities.

The Group is on a continued drive to increase original production of films with Chinese themes. The Group’s upcoming releases and production slate include “Three” and “Trivisa”, two action films produced by Mr. Johnnie To, and a remake of Ken Takakura’s epic movie “Manhunt”, a well-known foreign imported film released in China during the 70’s, by director Mr. John Woo.

In November 2015, the Group announced its strategic cooperation with Shenzhen Media Group. The collaboration will enhance the Group’s entertainment platform in China for better development of its film, TV and media businesses. Alongside with the TV drama “Don’t Go Breaking My Heart” to be broadcasted in 2016, a 200 episodes sitcom “The Taste of Love” has also started production.

The Group remains highly active on the live entertainment front. During the period under review, the Group has produced and promoted numerous major concerts in China and Hong Kong by prominent local and Asian artistes including Edmond Leung, Sammi Cheng, Miriam Yeung, EXO, Infinite and SHINee. The Group continues to work with leading international companies such as Korea’s CJ E&M Corp. (“**CJ**”) and has just successfully co-produced the Mnet Asian Music Awards (MAMA) with CJ for the third year. Upcoming products include long awaited concerts of Kelly Chen and George Lam.

Good news from our Talent Management Division is that the Group’s artist Ms. Karena Lam has won the Best Actress Award at the Golden Horse Awards, making her the first person ever to have won all the Best Actress, Best Supporting Actress and Best New Performer Golden Horse awards.

In summary, we believe that with our upcoming quality movies, dramas and variety programs and popular music products and live entertainment events, the Group is able to capture the growth of China entertainment market by a most balanced and synergetic approach.

## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 October 2015, the interests and short positions of the Directors 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	Corporate interests	Personal interests		
Dr. Lam Kin Ngok, Peter	1,264,012,837	—	218,340,611 (Note 2(a))	—	1,482,353,448 (Note 2(b))	69.40%
Mr. Chan Chi Yuen	—	172,500	—	—	172,500	0.01%

#### (2) Interests in Associated Corporations

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

Name of Directors	Long positions in shares and underlying shares of eSun				Approximate percentage of issued shares	
	Number of shares		Share options			
	Corporate interests	Personal interests	Personal interests	Total		
Dr. Lam Kin Ngok, Peter	521,204,186 (Note 3)	2,794,443	1,243,212 (Note 4)	—	525,241,841	42.25%
Mr. Chan Chi Kwong	—	—	1,500,000 (Note 5)	—	1,500,000	0.12%
Mr. Lui Siu Tsuen, Richard	—	—	3,729,636 (Note 6)	—	3,729,636	0.30%

## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES (continued)

#### (2) Interests in Associated Corporations (continued)

##### (b) Lai Fung Holdings Limited ("**Lai Fung**")

Name of Director	Long positions in shares and underlying shares of Lai Fung				Approximate percentage of issued shares
	Number of shares		Share options	Total	
	Corporate interests	Personal interests	Personal interests		
Dr. Lam Kin Ngok, Peter	8,274,270,422 (Note 7)	—	16,095,912 (Note 8)	8,290,366,334	51.40%

Notes:

- (1) The number of issued Shares as at 31 October 2015 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.
- (2) (a) The underlying Shares comprised the conversion shares to be allotted and issued upon conversion of the convertible notes issued by the Company to Perfect Sky Holdings Limited ("**Perfect Sky**"), a wholly-owned subsidiary of eSun, pursuant to a subscription agreement dated 17 April 2015.  
  
(b) eSun was the Company's ultimate holding company. As at 31 October 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 12.55% (excluding share option) owned by Dr. Lam Kin Ngok, Peter ("**Dr. Lam**") and approximately 29.74% owned by Wisdoman Limited which was in turn 100% beneficially owned by Dr. Lam. Therefore, 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.
- (3) By virtue of his deemed controlling shareholding interests in LSD as described in Note (2)(b) above, Dr. Lam was deemed to be interested in such eSun shares owned indirectly by LSD.
- (4) 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 during the period from 18 January 2013 to 17 January 2023.
- (5) On 18 January 2013, Mr. Chan Chi Kwong was granted an option by eSun to subscribe for 1,500,000 eSun shares at a subscription price of HK\$1.612 per share during the period from 18 January 2013 to 17 January 2023.
- (6) On 18 January 2013, Mr. Lui Siu Tsuen, Richard was granted an option by eSun to subscribe for 3,729,636 eSun shares at a subscription price of HK\$1.612 per share during the period from 18 January 2013 to 17 January 2023.
- (7) By virtue of Dr. Lam's deemed controlling shareholding interests in eSun as described in Note (2)(b) above, he was deemed to be interested in such Lai Fung shares owned indirectly by eSun.
- (8) 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 during the period from 18 January 2013 to 17 January 2023.

Save as disclosed above, as at 31 October 2015, none of the Directors 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 31 October 2015, the interests and short positions of the persons, other than Directors, 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	218,340,611	1,482,353,448 (Note 2)	69.40%
Lai Sun Development Company Limited	Interest of controlled corporations	1,264,012,837	218,340,611	1,482,353,448 (Note 2)	69.40%
eSun Holdings Limited	Interest of controlled corporation	1,264,012,837	218,340,611	1,482,353,448 (Note 2)	69.40%
Taiwan Mobile Co., Ltd.	Interest of controlled corporations	43,668,122	267,973,164 (Note 3(a))	311,641,286 (Note 3(b))	14.59%
Wealth Media Technology Co., Ltd.	Interest of controlled corporations	43,668,122	267,973,164 (Note 3(a))	311,641,286 (Note 3(b))	14.59%
TFN Media Co., Ltd.	Beneficial owner	—	267,973,164 (Note 3(a))	267,973,164	12.55%
Fubon Financial Holding Co., Ltd.	Interest of controlled corporation	99,187,500	72,969,432 (Note 4(a))	172,156,932 (Note 4(b))	8.06%
Fubon Financial Holding Venture Capital Corp.	Beneficial owner	99,187,500	72,969,432 (Note 4(a))	172,156,932	8.06%
Ming Tone Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 (Note 5(a))	172,156,932 (Note 5(b))	8.06%
Wealth Media Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 (Note 5(a))	172,156,932 (Note 5(b))	8.06%
Cheng Ting Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 (Note 5(a))	172,156,932 (Note 5(b))	8.06%
Cheng Hao Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 (Note 5(a))	172,156,932 (Note 5(b))	8.06%

## 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>
Kbro Co., Ltd.	Interest of controlled corporation	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932 <i>(Note 5(b))</i>	8.06%
Kbro Media Co., Ltd.	Beneficial owner	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932	8.06%

#### Notes:

- (1) The number of issued Shares as at 31 October 2015 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.
- (2) LSG, LSD and eSun were deemed to be interested in the same 1,482,353,448 Shares and underlying Shares held by Perfect Sky. Please refer to Note (2) 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 by the Company to TFN Media Co., Ltd. ("**TFN Media**") pursuant to a subscription agreement dated 17 April 2015.
  - (b) MOMO.COM Inc. ("**MOMO.COM**", interested in 43,668,122 Shares as at 31 October 2015) and TFN Media were owned as to approximately 44.38% and 100% 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 43,668,122 Shares owned by MOMO.COM and 267,973,164 underlying Shares owned by TFN Media pursuant to Part XV of the SFO.
- (4)
  - (a) The underlying Shares comprised the conversion shares to be allotted and issued upon conversion of the convertible notes issued by the Company to Fubon Financial Holding Venture Capital Corp. ("**Fubon Financial**") pursuant to a subscription agreement dated 17 April 2015.
  - (b) Fubon Financial was a subsidiary of Fubon Financial Holding Co., Ltd. which was, therefore, deemed to be interested in the same 172,156,932 Shares and underlying Shares owned by Fubon Financial pursuant to Part XV of the SFO.
- (5)
  - (a) The underlying Shares comprised the conversion shares to be allotted and issued upon conversion of the convertible notes issued by the Company to Kbro Media Co., Ltd. ("**Kbro Media**") pursuant to a subscription agreement dated 17 April 2015.
  - (b) 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 approximately 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 172,156,932 Shares and underlying Shares owned by Kbro Media pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 October 2015, no other persons (other than the Directors) 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.

## OTHER INFORMATION

### INTERESTS IN COMPETING BUSINESSES

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 businesses which compete or may compete with the businesses of the Group pursuant to the GEM Listing Rules.

Four executive Directors, namely, Dr. Lam Kin Ngok, Peter, Mr. Chan Chi Kwong, Mr. Lui Siu Tsuen, Richard 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 and entertainment, music production and distribution, the investment in and production and distribution of television programmes, films and video format products and cinema operation. Mr. Yu Feng, a former executive Director who resigned on 30 September 2015, held shareholding interests and/or directorships 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 (the “**Shareholders**”) 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.

### 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 2015.

### REVIEW OF QUARTERLY REPORT

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Ng Chi Ho, Dennis and Mr. Zhang Xi. The audit committee has reviewed the first quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the three months ended 31 October 2015.

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

Hong Kong, 15 December 2015