



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 2017

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

Conyers Corporate Services (Bermuda) 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 AUDITOR

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 condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and the nine months ended 30 April 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
TURNOVER	3	135,745	189,007	456,570	384,091
Cost of sales		(65,602)	(136,381)	(265,916)	(271,361)
Gross profit		70,143	52,626	190,654	112,730
Other income		1,054	665	5,991	4,638
Marketing expenses		(15,832)	(37,600)	(42,063)	(47,756)
Administrative expenses		(35,440)	(33,905)	(108,054)	(98,836)
Other operating gains		(2,405)	1,560	75	4,579
Other operating expenses		(2,978)	(8,462)	(13,350)	(15,386)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		14,542	(25,116)	33,253	(40,031)
Finance costs	4	(5,855)	(5,381)	(17,961)	(16,451)
Share of profits and losses of joint ventures		(7,467)	76	(7,916)	7,056
Share of profits and losses of an associate		—	3	(2)	1
PROFIT/(LOSS) BEFORE TAX		1,220	(30,418)	7,374	(49,425)
Income tax expense	5	(239)	(190)	(876)	(1,674)
PROFIT/(LOSS) FOR THE PERIOD		981	(30,608)	6,498	(51,099)
Attributable to:					
Owners of the Company		2,865	(29,405)	11,956	(47,703)
Non-controlling interests		(1,884)	(1,203)	(5,458)	(3,396)
		981	(30,608)	6,498	(51,099)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6				
Basic and diluted (HK cents)		0.13	(1.38)	0.56	(2.24)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 April		Nine months ended 30 April	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	981	(30,608)	6,498	(51,099)
OTHER COMPREHENSIVE INCOME/ (LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	(1,823)	13,026	(3,095)	(7,310)
Release of foreign currency translation reserve upon disposal of subsidiaries	—	91	—	91
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD, NET OF TAX	(1,823)	13,117	(3,095)	(7,219)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(842)	(17,491)	3,403	(58,318)
Attributable to:				
Owners of the Company	1,023	(16,320)	8,881	(54,858)
Non-controlling interests	(1,865)	(1,171)	(5,478)	(3,460)
	(842)	(17,491)	3,403	(58,318)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2017

	Attributable to owners of the Company								
	Issued capital	Share premium account	Contributed surplus	Capital reserve	Foreign currency translation reserve	Retained profits/ losses (accumulated)	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2016 (audited)	21,361	633,661	95,191	71,454	(4,090)	(4,772)	812,805	(2,256)	810,549
Profit/(loss) for the period	—	—	—	—	—	11,956	11,956	(5,458)	6,498
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(3,075)	—	(3,075)	(20)	(3,095)
Total comprehensive income/(loss) for the period	—	—	—	—	(3,075)	11,956	8,881	(5,478)	3,403
Capital contribution from a non-controlling shareholder	—	—	—	—	—	—	—	3,529	3,529
Deemed acquisition of additional interest	—	—	—	—	—	—	—	(3,760)	(3,760)
At 30 April 2017 (unaudited)	21,361	633,661	95,191	71,454	(7,165)	7,184	821,686	(7,965)	813,721
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	—	—	—	—	—	(47,703)	(47,703)	(3,396)	(51,099)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(7,246)	—	(7,246)	(64)	(7,310)
Release of foreign currency translation reserve upon disposal of a subsidiary	—	—	—	—	91	—	91	—	91
Total comprehensive loss for the period	—	—	—	—	(7,155)	(47,703)	(54,858)	(3,460)	(58,318)
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	—	—	—	—	—	—	—	2,999	2,999
At 30 April 2016 (unaudited)	21,361	633,661	95,191	71,454	(6,018)	43,071	858,720	(253)	858,467

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2017

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 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 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 auditor 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 2016. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2016.

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2017

3. TURNOVER

An analysis of the Group's turnover during the three months and nine months ended 30 April 2017 is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Turnover				
Entertainment event income	61,262	57,897	174,291	168,677
Album sales, licence income and distribution commission income from music publishing and licensing	12,763	8,319	33,894	33,423
Artiste management fee income	3,645	3,701	12,850	14,190
Distribution commission income and licence fee income from film and TV program products and film rights	58,075	119,090	235,535	167,801
	135,745	189,007	456,570	384,091

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 30 April	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Interest on:		
— TFN Convertible Notes	7,737	7,063
— Specific Mandate Convertible Notes	10,224	9,388
	17,961	16,451

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2017

5. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made during the period under review as there were no assessable profits generated during the nine months ended 30 April 2017 (nine months ended 30 April 2016: 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	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	876	1,674
Total tax expense for the period	876	1,674

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	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Earnings/(Loss)				
Profit/(loss) attributable to owners of the Company used in the basic earnings/(loss) per share calculation	2,865	(29,405)	11,956	(47,703)

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2017

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

	Number of shares			
	Three months ended 30 April		Nine months ended 30 April	
	2017 (Unaudited) '000	2016 (Unaudited) '000	2017 (Unaudited) '000	2016 (Unaudited) '000
Shares				
Weighted average number of ordinary shares in issue used in the basic earnings/(loss) per share calculation	2,136,056	2,136,056	2,136,056	2,132,869
Earnings/(loss) per share:				
— Basic and diluted (HK cents)	0.13	(1.38)	0.56	(2.24)

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the three months and the nine months ended 30 April 2017 and 2016 in respect of a dilution as the impact of the TFN Convertible Notes and Specific Mandate 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 2017 (nine months ended 30 April 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 April 2017 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$456,570,000, representing an increase of approximately 19% from approximately HK\$384,091,000 for the corresponding nine months in 2016 (the “**Corresponding Period**”), mainly due to the increase in revenue from the Group’s film and TV program production and distribution and entertainment events.

Cost of sales decreased to approximately HK\$265,916,000 for the Current Period from approximately HK\$271,361,000 for the Corresponding Period. The Group’s marketing expenses decreased to approximately HK\$42,063,000 for the Current Period from approximately HK\$47,756,000 for the Corresponding Period. Administrative expenses increased to approximately HK\$108,054,000 for the Current Period from approximately HK\$98,836,000 for the Corresponding Period due to the strengthening of our management structures. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses decreased to approximately HK\$13,350,000 for the Current Period from approximately HK\$15,386,000 for the Corresponding Period. Other operating expenses for the Current Period mainly included exchange loss arising from the depreciation in Renminbi.

Finance costs was approximately HK\$17,961,000 for the Current Period compared to approximately HK\$16,451,000 for the Corresponding Period. Finance costs represented the interest expense arising from the TFN Convertible Notes and Specific Mandate Convertible Notes issued on 13 May 2015 and 3 July 2015 respectively.

Profit attributable to owners of the Company for the Current Period was approximately HK\$11,956,000 compared to loss attributable to owners of the Company of approximately HK\$47,703,000 for the Corresponding Period. Basic earnings per share was approximately HK0.56 cent compared to basic loss per share of approximately HK2.24 cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 73 (2016: 76) shows by popular local, Asian and internationally renowned artistes, including Chan Po Chu and Mui Suet See, Sammi Cheng, Ivana Wong and Hins Cheung, Grasshopper, EXO, MayDay, Rene Liu, Tsai Chin, Ronald Cheng and Della. The total revenue from these concerts amounted to approximately HK\$174,291,000.

Music

During the Current Period, the Group released 9 (2016: 9) albums, including titles by Sammi Cheng, Ivana Wong, C AllStar, Jan Lamb and Tang Siu Hau. Turnover from music publishing and recording was approximately HK\$33,894,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$12,850,000 from artiste management. The Group currently has 28 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 2 films, namely “Line Walker” and “Love Off The Cuff”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$109,699,000.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$125,836,000 from TV program licence fee and distribution commission.

PROSPECTS

The China entertainment consumption keeps on growing. The Group targets China as the primary market and has lined up its products to capture the market opportunities.

Thanks to the effort of our colleagues of Film Division and all the fellows who have involved in the films, “Trivisa” has won the Best Film, Best Director, Best Screenplay, Best Actor and Best Film Editing awards in the 36th Hong Kong Film Awards while “Love Off The Cuff” has reached HK\$30 million box office in Hong Kong, being the highest among all Chinese films in 2017 so far.

A costume action film “Legend of the Naga Pearls” produced by Gordon Chan and casting Wang Talu and Zhang Tianai, as well as the renowned action-thriller “Manhunt” directed by John Woo featuring Zhang Han Yu and Fukuyama Masaharu, are in their post-production stage.

For TV Division, we are in discussion with various Chinese partners for developing a number of new projects, including “Soul Mate” adapted from a popular writer Anni Baobei.

For music and live entertainment businesses, the exclusive distribution licenses of our music products with Taobao China Software Co. Ltd. and Warner Music continue to provide stable income to the Group. The recent “EXO Plant #3 Tour 2017 Hong Kong” and “Ivana & Hins in Concert 2017” have earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion. Upcoming events include concerts of Yoga Lin, Liza Wang and C AllStar.

On top of its current artiste portfolio, the Group is actively looking for new talent in Greater China and further co-operation with Asian artiste with an aim to build up a strong artiste roster. We have entered into management agreements with a number of fresh talents in Hong Kong, China as well as Taiwan and they have already participated in our various film and TV program productions.

Looking forward, we believe that the Group’s integrated media platform comprising movies, TV, music, new media, artiste management and live entertainment puts us in a strong position to capture the opportunities of China entertainment market by a balanced and synergistic approach and we will continue to explore cooperation and investment opportunities to enrich our portfolio, broaden our income stream and maximise value for our shareholders.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES

As at 30 April 2017, 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 of the Company					Approximate percentage of issued shares (Note 1)
	Number of shares		Number of underlying shares	Total		
	Corporate interests	Personal interests				
Lam Kin Ngok, Peter	1,443,156,837 (Note 2(a))	—	218,340,611 (Note 2(a))	1,661,497,448 (Note 2(b))	77.78%	
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	Total		
	Corporate interests	Personal interests				
Lam Kin Ngok, Peter	551,040,186 (Note 3)	2,794,443	1,243,212 (Note 4)	555,077,841	37.21%	
Chan Chi Kwong	—	—	1,500,000 (Note 5)	1,500,000	0.10%	
Lui Siu Tsuen, Richard	—	—	3,729,636 (Note 6)	3,729,636	0.25%	

(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				
Lam Kin Ngok, Peter	8,274,270,422 (Note 7)	—	16,095,912 (Note 8)	8,290,366,334	50.91%	

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes:

- (1) The number of issued shares of the Company (the "**Shares**") as at 30 April 2017 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.
- (2) (a) The Shares were owned by Perfect Sky Holdings Limited ("**Perfect Sky**"), a wholly-owned subsidiary of eSun. 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 pursuant to a subscription agreement dated 17 April 2015.

1,415,132,837 Shares owned by Perfect Sky were pledged as security under a share mortgage dated 21 September 2016 pursuant to a facility agreement of eSun.
- (b) eSun was the Company's ultimate holding company. As at 30 April 2017, eSun was indirectly owned as to approximately 36.94% by Lai Sun Development Company Limited ("**LSD**"). LSD was approximately 61.75% directly and indirectly owned by Lai Sun Garment (International) Limited ("**LSG**"). LSG was approximately 12.52% (excluding share option) owned by Dr. Lam Kin Ngok, Peter ("**Dr. Lam**") and approximately 29.45% 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 his deemed controlling shareholding interests in eSun as described in Note (2)(b) above, Dr. Lam 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 30 April 2017, 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 30 April 2017, 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 <i>(Note 1)</i>
Lai Sun Garment (International) Limited	Interest of controlled corporations	1,443,156,837	218,340,611	1,661,497,448 <i>(Note 2)</i>	77.78%
Lai Sun Development Company Limited	Interest of controlled corporations	1,443,156,837	218,340,611	1,661,497,448 <i>(Note 2)</i>	77.78%
eSun Holdings Limited	Interest of controlled corporation	1,443,156,837	218,340,611	1,661,497,448 <i>(Note 2)</i>	77.78%
Taiwan Mobile Co., Ltd.	Interest of controlled corporations	43,668,122	267,973,164 <i>(Note 3(a))</i>	311,641,286 <i>(Note 3(b))</i>	14.59%
Wealth Media Technology Co., Ltd.	Interest of controlled corporations	43,668,122	267,973,164 <i>(Note 3(a))</i>	311,641,286 <i>(Note 3(b))</i>	14.59%
TFN Media Co., Ltd.	Beneficial owner	—	267,973,164 <i>(Note 3(a))</i>	267,973,164	12.55%
Fubon Financial Holding Co., Ltd.	Interest of controlled corporation	99,187,500	72,969,432 <i>(Note 4(a))</i>	172,156,932 <i>(Note 4(b))</i>	8.06%
Fubon Financial Holding Venture Capital Corp.	Beneficial owner	99,187,500	72,969,432 <i>(Note 4(a))</i>	172,156,932	8.06%
Ming Tone Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932 <i>(Note 5(b))</i>	8.06%
Wealth Media Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932 <i>(Note 5(b))</i>	8.06%
Cheng Ting Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932 <i>(Note 5(b))</i>	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>
Cheng Hao Co., Ltd.	Interest of controlled corporations	99,187,500	72,969,432 <i>(Note 5(a))</i>	172,156,932 <i>(Note 5(b))</i>	8.06%
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 30 April 2017 (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 1,661,497,448 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 30 April 2017) and TFN Media were owned as to approximately 44.38% and 100% by Wealth Media Technology Co., Ltd. ("**WMT**") respectively. 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.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Long Position in the Shares (continued)

Notes: *(continued)*

- (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 30 April 2017, 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.

INTERESTS IN COMPETING BUSINESSES

During the period under review and up to the date of this report, eSun and four executive Directors, namely, Dr. Lam Kin Ngok, Peter, Mr. Chan Chi Kwong, Mr. Lui Siu Tsuen, Richard and Mr. Yip Chai Tuck (the “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.

The Interested 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 and operation of and investment in media and entertainment, music production and distribution, investment in and production and distribution of television programs, films and video format products and cinema operation.

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 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 2017.

OTHER INFORMATION

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 third quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the nine months ended 30 April 2017.

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

Hong Kong, 12 June 2017