



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 2018

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 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

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8075

Board Lot

4,000 shares

WEBSITE

www.mediaasia.com

INVESTOR RELATIONS

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

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 2018 together with the comparative unaudited figures for the corresponding periods in 2017 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
TURNOVER	3	85,561	135,745	384,810	456,570
Cost of sales		(30,310)	(65,602)	(382,857)	(265,916)
Gross profit		55,251	70,143	1,953	190,654
Other income		2,343	1,054	7,193	5,991
Marketing expenses		(25,354)	(15,832)	(88,788)	(42,063)
Administrative expenses		(40,035)	(35,440)	(122,968)	(108,054)
Other operating gains		1,008	(2,405)	29,168	75
Other operating expenses		—	(2,978)	(313)	(13,350)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		(6,787)	14,542	(173,755)	33,253
Finance costs	4	(6,427)	(5,855)	(19,712)	(17,961)
Share of profits and losses of joint ventures		(372)	(7,467)	(3,346)	(7,916)
Share of profits and losses of an associate		1	—	—	(2)
PROFIT/(LOSS) BEFORE TAX		(13,585)	1,220	(196,813)	7,374
Income tax expense	5	(156)	(239)	(621)	(876)
PROFIT/(LOSS) FOR THE PERIOD		(13,741)	981	(197,434)	6,498
Attributable to:					
Owners of the Company		(11,461)	2,865	(191,210)	11,956
Non-controlling interests		(2,280)	(1,884)	(6,224)	(5,458)
		(13,741)	981	(197,434)	6,498
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6				
Basic and diluted (HK cents)		(0.54)	0.13	(8.95)	0.56

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 April		Nine months ended 30 April	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	(13,741)	981	(197,434)	6,498
OTHER COMPREHENSIVE INCOME/ (LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	2,184	(1,823)	(395)	(3,095)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(11,557)	(842)	(197,829)	3,403
Attributable to:				
Owners of the Company	(9,261)	1,023	(191,498)	8,881
Non-controlling interests	(2,296)	(1,865)	(6,331)	(5,478)
	(11,557)	(842)	(197,829)	3,403

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2018

	Attributable to owners of the Company								
	Issued capital	Share premium account	Contributed surplus	Capital reserve	Foreign currency translation reserve	Retained profits/ losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2017 (audited)	21,361	633,661	95,191	71,454	(8,631)	(174,727)	638,309	(10,693)	627,616
Loss for the period	—	—	—	—	—	(191,210)	(191,210)	(6,224)	(197,434)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(288)	—	(288)	(107)	(395)
Total comprehensive loss for the period	—	—	—	—	(288)	(191,210)	(191,498)	(6,331)	(197,829)
Capital contribution from a non-controlling shareholder	—	—	—	—	—	—	—	2,362	2,362
At 30 April 2018 (unaudited)	21,361	633,661	95,191	71,454	(8,919)	(365,937)	446,811	(14,662)	432,149
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

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2018

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 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 2017. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2017.

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2018

3. TURNOVER

An analysis of the Group's turnover during the three months and nine months ended 30 April 2018 is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Turnover				
Entertainment event income	23,212	61,262	147,128	174,291
Album sales, licence income and distribution commission income from music publishing and licensing	8,136	12,763	24,809	33,894
Artiste management fee income	6,399	3,645	20,068	12,850
Distribution commission income and licence fee income from film and TV program products and film rights	47,814	58,075	192,805	235,535
	85,561	135,745	384,810	456,570

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 30 April	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Interest on:		
— TFN Convertible Notes	8,476	7,737
— Specific Mandate Convertible Notes	11,236	10,224
	19,712	17,961

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2018

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 2018 (nine months ended 30 April 2017: 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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Overprovision in prior years	(9)	—
Current — Elsewhere		
Charge for the period	762	876
Overprovision in prior years	(132)	—
Total tax expense for the period	621	876

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Earnings/(Loss)				
Profit/(loss) attributable to owners of the Company used in the basic earnings/(loss) per share calculation	(11,461)	2,865	(191,210)	11,956

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2018

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	
	2018 (Unaudited) '000	2017 (Unaudited) '000	2018 (Unaudited) '000	2017 (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	2,136,056
Earnings/(loss) per share:				
— Basic and diluted (HK cents)	(0.54)	0.13	(8.95)	0.56

No adjustment has been made to the basic earnings/(loss) per share amounts presented for three months and nine months ended 30 April 2018 and 2017 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 2018 (nine months ended 30 April 2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 April 2018 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$384,810,000, representing a decrease of approximately 16% from approximately HK\$456,570,000 for the corresponding nine months in 2017 (the “**Corresponding Period**”), mainly due to the decrease in revenue from the Group’s film production and distribution and entertainment businesses.

Cost of sales increased to approximately HK\$382,857,000 for the Current Period from approximately HK\$265,916,000 for the Corresponding Period. The significant increase in cost of sales was mainly due to additional amortisation recognised on the Group’s films released in the first quarter of the financial year ending 31 July 2018 with unsatisfactory performance. The Group’s marketing expenses increased to approximately HK\$88,788,000 for the Current Period from approximately HK\$42,063,000 for the Corresponding Period. Administrative expenses increased to approximately HK\$122,968,000 for the Current Period from approximately HK\$108,054,000 for the Corresponding Period. Nevertheless, these expenses are under strict control by the Company’s management. Other operating gains increased to approximately HK\$29,168,000 for the Current Period from approximately HK\$75,000 for the Corresponding Period. Other operating gains in Current Period mainly represented exchange gain arising from appreciation of Reminbi. Other operating expenses decreased to approximately HK\$313,000 for the Current Period from approximately HK\$13,350,000 for the Corresponding Period.

Finance costs increased to approximately HK\$19,712,000 for the Current Period from approximately HK\$17,961,000 for the Corresponding Period. Finance costs represented the interest expenses arising from the TFN Convertible Notes and Specific Mandate Convertible Notes issued on 13 May 2015 and 3 July 2015, respectively. The TFN Convertible Notes were redeemed on 14 May 2018.

Loss attributable to owners of the Company for the Current Period was approximately HK\$191,210,000 compared to profit attributable to owners of the Company of approximately HK\$11,956,000 for the Corresponding Period. The significant increase in loss attributable to owners of the Company was primarily attributable to unsatisfactory performance of the Group’s films released in the first quarter of the financial year ending 31 July 2018. Basic loss per share was approximately HK8.95 cents compared to basic earnings per share of approximately HK0.56 cent for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 80 (2017: 73) shows by popular local, Asian and internationally renowned artistes, including Miriam Yeung, Grasshopper, C AllStar, at17, Ivana Wong and Hins Cheung, Liza Wang, Vivian Chow, Wanna One, MayDay and Rene Liu. The total revenue from these concerts amounted to approximately HK\$147,128,000.

Music

During the Current Period, the Group released 8 (2017: 9) albums, including titles by Miriam Yeung, C AllStar, Tang Siu Hau, at17 and Michael Lai. Turnover from music publishing and recording was approximately HK\$24,809,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Media and Entertainment Segment (continued)

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$20,068,000 from artiste management. The Group currently has 31 artistes under its management.

Film and TV Program Segment

Film Production and Distribution

During the Current Period, the Group released 4 films, namely “Legend of the Naga Pearls”, “The Adventurers”, “Manhunt” and “Girls vs Gangsters”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$182,357,000.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$10,448,000 from TV program licence fee and distribution commission.

PROSPECTS

For the film business, the Group continues to invest in original production of quality films with Chinese themes. An action comedy film “When Robbers Meet The Monster” featuring Louis Koo, Zhou Dongyu and Cheney Chen with director Andrew Lau, an action crime film “Bodies At Rest” by director Renny Harlin casting Nick Cheung and Richie Jen, and a romance film “Fagara in Mara” produced by Ann Hui featuring Sammi Cheng, are under post-production.

The Group also continues to develop products attributed to famous IPs. “The Legend of The Condor Heroes”, a new production tribute to the classic work of martial arts from Dr. Louis Cha is under development.

“New Horizon”, a 50 episode romance drama series starring Zheng Kai and Chen Chiao-en, and “Shadow of Justice”, a 36 episode detective drama series tailor-made for the Alibaba’s Youku platforms featuring Julian Cheung and Fiona Sit, are under post-production stage. We are also discussing with various Chinese portals and video web sites for new project development.

For our music business, we have recently entered into an exclusive PRC distribution license of our music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and we believe that the license will provide stable income contribution to the Group.

The recent “EXO PLANET #4 - The ElyXiOn” and “Super Show 7 in Hong Kong” have earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion. “Ivana Wong in concert 2018” is scheduled in coming August.

For our talent management business, on top of its current artiste portfolio, the Group is actively looking for new talent in Greater China and further co-operation with Asian artistes with an aim to build up a strong artiste roster.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS *(continued)*

Looking forward, we believe that the Group's integrated media platform comprising movies, TV programs, music, new media, artiste management and live entertainment put 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 2018, 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				
	Number of shares		Number of underlying shares	Total	Approximate percentage of issued shares (Note 1)
	Corporate interests	Personal interests	Corporate 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				
	Number of shares		Share options	Total	Approximate percentage of issued shares
	Corporate interests	Personal 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				
	Number of shares		Share options	Total	Approximate percentage of issued shares
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	165,485,406 (Note 7)	—	321,918 (Note 8)	165,807,324	50.70%

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes:

- (1) *The number of issued shares of the Company (the "Shares") as at 30 April 2018 (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 and a second letter agreement dated 21 November 2017 pursuant to a facility agreement of eSun.
- (b) *eSun was the Company's ultimate holding company. As at 30 April 2018, eSun was indirectly owned as to approximately 36.94% by Lai Sun Development Company Limited ("LSD"). LSD was approximately 53.24% directly and indirectly owned by Lai Sun Garment (International) Limited ("LSG"). LSG was approximately 12.49% (excluding share option) owned by Dr. Lam Kin Ngok, Peter ("Dr. Lam") and approximately 29.37% 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. Following the completion of share consolidation of Lai Fung, the exercise price and number of option shares were adjusted to HK\$11.4 per consolidated share and 321,918 consolidated shares respectively on 15 August 2017.*

Save as disclosed above, as at 30 April 2018, 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 2018, 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%
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%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Long Position in the Shares (continued)

Notes:

- (1) *The number of issued Shares as at 30 April 2018 (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. The convertible notes issued to TFN Media matured and were redeemed by the Company on 14 May 2018.*
 - (b) *MOMO.COM Inc. ("**MOMO.COM**", interested in 43,668,122 Shares) 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.*
- (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 2018, 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 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 the development, operation of and investment in media and entertainment, music production and distribution, the 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 2018.

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 2018.

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

Hong Kong, 12 June 2018