



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8075)

FIRST QUARTERLY REPORT
For the three months ended 31 October 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) 2370 5825
Fax: (852) 2743 8459
E-mail: cosec@mediaasia.com

FIRST 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 ended 31 October 2018 together with the comparative unaudited figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 October	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
	Notes		
TURNOVER	3	227,383	90,149
Cost of sales		(173,990)	(209,975)
Gross profit/(loss)		53,393	(119,826)
Other income		1,404	1,639
Marketing expenses		(3,061)	(28,043)
Administrative expenses		(34,126)	(34,116)
Other operating gains		3,221	2,177
Other operating expenses		(7,671)	(605)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		13,160	(178,774)
Finance costs	4	(3,943)	(6,643)
Share of profits and losses of joint ventures		(1,771)	(4,003)
Share of profits and losses of an associate		99	—
PROFIT/(LOSS) BEFORE TAX		7,545	(189,420)
Income tax expense	5	(30)	(287)
PROFIT/(LOSS) FOR THE PERIOD		7,515	(189,707)
Attributable to:			
Owners of the Company		6,828	(188,042)
Non-controlling interests		687	(1,665)
		7,515	(189,707)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (HK cents)	6	0.32	(8.80)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	7,515	(189,707)
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS		
Exchange differences on translation of foreign operations	820	2,015
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX	820	2,015
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	8,335	(187,692)
Attributable to:		
Owners of the Company	7,497	(186,006)
Non-controlling interests	838	(1,686)
	8,335	(187,692)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2018

	Attributable to owners of the Company								
	Issued capital	Share premium account	Contributed surplus	Capital reserve	Foreign currency translation reserve	Accumulated 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 2018 (audited)	21,361	633,661	95,191	–	(8,903)	(376,776)	364,534	(18,768)	345,766
Profit for the period	–	–	–	–	–	6,828	6,828	687	7,515
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	669	–	669	151	820
Total comprehensive income for the period	–	–	–	–	669	6,828	7,497	838	8,335
Capital contribution from a non-controlling shareholder	–	–	–	–	–	–	–	858	858
At 31 October 2018 (unaudited)	21,361	633,661	95,191	–	(8,234)	(369,948)	372,031	(17,072)	354,959
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	–	–	–	–	–	(188,042)	(188,042)	(1,665)	(189,707)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	2,036	–	2,036	(21)	2,015
Total comprehensive income/(loss) for the period	–	–	–	–	2,036	(188,042)	(186,006)	(1,686)	(187,692)
At 31 October 2017 (unaudited)	21,361	633,661	95,191	71,454	(6,595)	(362,769)	452,303	(12,379)	439,924

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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 2018. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2018.

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 2018

3. TURNOVER

An analysis of the Group's turnover is as follows:

	Three months ended 31 October	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Turnover		
Entertainment event income	57,406	24,820
Album sales, licence income and distribution commission income from music publishing and licensing	9,266	9,381
Artiste management fee income	2,648	5,698
Distribution commission income and licence fee income from film and TV program products and film rights	158,063	50,250
	227,383	90,149

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Three months ended 31 October	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Interest on:		
– Loan from the intermediate holding company	1,364	—
– Loan from a fellow subsidiary	2,579	—
– TFN Convertible Notes	—	2,856
– Specific Mandate Convertible Notes	—	3,787
	3,943	6,643

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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 three months ended 31 October 2018 (three months ended 31 October 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.

	Three months ended	
	31 October	
	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	(22)	—
Current — Elsewhere		
Charge for the period	52	287
Total tax expense for the period	30	287

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

The calculation of basic earnings/(loss) per share amounts is based on the profit attributable to owners of the Company for the period of approximately HK\$6,828,000 (2017: loss of approximately HK\$188,042,000) and the weighted average number of ordinary shares of approximately 2,136,057,000 (2017: approximately 2,136,057,000) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for three months ended 31 October 2017 in respect of a dilution as the impact of the TFN Convertible Notes and Specific Mandate Convertible Notes outstanding during the period had an anti-dilutive effect on the basic loss per share amount presented.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 October 2018 (three months ended 31 October 2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 31 October 2018 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$227,383,000, representing an increase of approximately 152% from approximately HK\$90,149,000 for the corresponding three months ended 31 October 2017 (the “**Corresponding Period**”), mainly due to the increase in revenue from the Group’s TV program and entertainment event businesses.

Cost of sales decreased to approximately HK\$173,990,000 for the Current Period from approximately HK\$209,975,000 for the Corresponding Period. The Group’s marketing expenses decreased to approximately HK\$3,061,000 for the Current Period from approximately HK\$28,043,000 for the Corresponding Period. The decrease in the marketing expenses was due to no theatrical release of film during the Current Period. Administrative expenses slightly increased to approximately HK\$34,126,000 for the Current Period from approximately HK\$34,116,000 for the Corresponding Period. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses increased to approximately HK\$7,671,000 for the Current Period from approximately HK\$605,000 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\$3,943,000 for the Current Period compared to approximately HK\$6,643,000 for the Corresponding Period. Finance costs in Current Period represented the interest expenses arising from loans from the intermediate holding company and a fellow subsidiary.

Profit attributable to owners of the Company for the Current Period was approximately HK\$6,828,000 compared to loss attributable to owners of the Company of approximately HK188,042,000 for the Corresponding Period. Basic earnings per share was approximately HK0.32 cent compared to basic loss per share of approximately HK8.8 cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 26 (2017: 8) shows by popular local, Asian and internationally renowned artistes, including Sammi Cheng, Ivana Wong, JJ Lin, MayDay and EXO. The total revenue from these concerts amounted to approximately HK\$57,406,000.

Music

During the Current Period, the Group released 4 (2017: 1) album(s), representing titles by Sammi Cheng, Grasshopper and Remus Choy. Turnover from music publishing and recording was approximately HK\$9,266,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$2,648,000 from artiste management. The Group currently has 25 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 recorded a turnover of approximately HK\$13,987,000 from the licence fee income and distribution commission income of films.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$144,076,000 from TV program licence fee and distribution commission.

PROSPECTS

Targeting at the PRC film market, the Group continues to invest in original production of quality films with Chinese themes. “When Robbers Meet The Monster”, an action comedy film featuring Louis Koo, Zhou Dongyu and Cheney Chen with director Andrew Lau will be released in late December. “Bodies At Rest”, an action crime film by director Renny Harlin casting Nick Cheung and Richie Jen, “Fagara in Mara”, a romance film produced by Ann Hui featuring Sammi Cheng, and “I’m Living It”, a feature film produced by Cheang Pou Soi with Aaron Kwok and Miriam Yeung, are in post-production stage. Projects under development include an action film “Knockout” by director Roy Chow featuring Han Geng and a romance comedy film “The Calling of a Bus Driver” by director Patrick Kong with Ivana Wong.

The TV drama series “Shadow of Justice” started broadcasting in China and Hong Kong since September and recorded a successful high hit rate of over 2.2 billion in Alibaba’s Youku platform and ranked number one in Viu TV platform during the broadcasting period. The latest titles in our TV production pipelines include “New Horizon”, a 52 episode romance drama series starring Zheng Kai and Chen Chiao-en, and we are discussing with various Chinese portals and video web sites for new project development.

The exclusive distribution license of our music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continue to provide stable income contribution to the Group. 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.

The recent “JJ Lin Sanctuary World Tour Hong Kong” has earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion. In addition to our investment in coming “Andy Lau My Love World Tour Hong Kong 2018”, we are the Co-Executive Producer of 2018 Mnet Asian Music Awards in Hong Kong and are planning to organise concerts for a number of artistes in 2019 including Ekin Cheng and Sammi Cheng.

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 31 October 2018, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (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 of the Company			Approximate percentage of issued shares (Note 1)
	Number of shares		Total	
	Corporate interests	Personal interests		
Lam Kin Ngok, Peter	1,443,156,837 (Note 2)	—	1,443,156,837	67.56%
Chan Chi Yuen	—	172,500	172,500	0.01%

(2) Interests in Associated Corporations

(a) Lai Sun Garment (International) Limited ("LSG")

Name of Directors	Long positions in shares and underlying shares of LSG			Approximate percentage of issued shares	
	Number of shares		Share options		
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	113,127,277 (Note 3)	48,116,366	708,575 (Note 4)	161,952,218	42.05%
Lui Siu Tsuen, Richard	—	—	185,600 (Note 5)	185,600	0.05%

(b) Lai Sun Development Company Limited ("LSD")

Name of Directors	Long positions in shares and underlying shares of LSD			Approximate percentage of issued shares	
	Number of shares		Share options		
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	340,023,572 (Note 6)	429,232	417,308 (Note 7)	340,870,112	56.24%
Lui Siu Tsuen, Richard	—	—	104,000 (Note 8)	104,000	0.02%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES (continued)

(2) Interests in Associated Corporations (continued)

(c) eSun Holdings Limited ("eSun")

Name of Director	Long positions in shares and underlying shares of eSun					Approximate percentage of issued shares
	Number of shares		Share options	Total		
	Corporate interests	Personal interests	Personal interests			
Lam Kin Ngok, Peter (Note 9)	1,154,410,072	2,794,443	—	1,157,204,515	77.57%	

(d) 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			
Lam Kin Ngok, Peter (Note 10)	165,502,573	—	321,918 (Note 11)	165,824,491	50.70%	

Notes:

(1) The number of issued shares of the Company (the "Shares") as at 31 October 2018 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.

(2) The Shares were owned by Perfect Sky Holdings Limited ("Perfect Sky"), a wholly-owned subsidiary of eSun. 1,415,132,837 Shares 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. Such pledged Shares were released by the execution of release of share mortgage and release of charge over securities accounts, both dated 10 October 2018.

As at 31 October 2018, eSun was indirectly owned as to approximately 77.38% by LSD. LSD was approximately 56.10% directly and indirectly owned by 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 ("Wisdoman") which was in turn 100% beneficially owned by Dr. Lam. Therefore, Dr. Lam was deemed to be interested in the 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 interests in Wisdoman as described in Note (2) above, Dr. Lam was deemed to be interested in such LSG shares owned directly by Wisdoman.

(4) On 18 January 2013 and 19 June 2017, Dr. Lam was granted share options by LSG to subscribe (after the adjustments for the rights issue effective on 7 February 2014 (if applicable) and share consolidation effective on 15 August 2017 of LSG) for 375,242 and 333,333 LSG shares at the respective exercise prices of HK\$6.05 and HK\$15 per share with the respective exercise periods from 18 January 2013 to 17 January 2023 and from 19 June 2017 to 18 June 2027.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes: *(continued)*

- (5) On 18 January, 2013, Mr. Lui Siu Tsuen, Richard ("**Mr. Lui**") was granted share options by LSG to subscribe (after the adjustments for the rights issue effective on 7 February 2014 and share consolidation effective on 15 August 2017 of LSG) for 185,600 LSG shares at an exercise price of HK\$6.05 per share with an exercise period from 18 January 2013 to 17 January 2023.
- (6) By virtue of his deemed controlling shareholding interests in LSG as described in Note (2) above, Dr. Lam was deemed to be interested in such LSD shares owned directly and indirectly by LSG.
- (7) On 18 January 2013, Dr. Lam was granted share options by LSD to subscribe (after the adjustments for the rights issue effective on 17 February 2016 and share consolidation effective on 15 August 2017 of LSD) for 417,308 LSD shares at an exercise price of HK\$16.1 per share with an exercise period from 18 January 2013 to 17 January 2023.
- (8) On 18 January 2013, Mr. Lui was granted share options by LSD to subscribe (after the adjustments for the rights issue effective on 17 February 2016 and share consolidation effective on 15 August 2017 of LSD) for 104,000 LSD shares at an exercise price of HK\$16.1 per share with an exercise period from 18 January 2013 to 17 January 2023.
- (9) By virtue of his deemed controlling shareholding interests in LSD as described in Note (2) above, Dr. Lam was deemed to be interested in such eSun shares owned indirectly by LSD.
- (10) By virtue of his deemed controlling shareholding interests in LSD and eSun as described in Note (2) above, Dr. Lam was deemed to be interested in 17,167 Lai Fung shares held by a wholly-owned subsidiary of LSD and 165,485,406 Lai Fung shares owned indirectly by eSun.
- (11) On 18 January 2013, Dr. Lam was granted share options by Lai Fung to subscribe (after the adjustment for the share consolidation effective on 15 August 2017 of Lai Fung) for 321,918 Lai Fung shares at an exercise price of HK\$11.4 per share with an exercise period from 18 January 2013 to 17 January 2023.

Save as disclosed above, as at 31 October 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 31 October 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	Approximate percentage of issued Shares <i>(Note 1)</i>
Lai Sun Garment (International) Limited	Interest of controlled corporations	1,443,156,837 <i>(Note 2)</i>	67.56%
Lai Sun Development Company Limited	Interest of controlled corporations	1,443,156,837 <i>(Note 2)</i>	67.56%
eSun Holdings Limited	Interest of controlled corporation	1,443,156,837 <i>(Note 2)</i>	67.56%

Notes:

- (1) The number of issued Shares as at 31 October 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 1,443,156,837 Shares held by Perfect Sky. Please refer to Note (2) as shown in the section headed "Directors' Interests in Securities" above for further details.

Save as disclosed above, as at 31 October 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.

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.

OTHER INFORMATION

INTERESTS IN COMPETING BUSINESSES *(continued)*

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 three months ended 31 October 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 first quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the three months ended 31 October 2018.

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

Hong Kong, 13 December 2018